



FEDERATION OF ASSOCIATIONS OF FORMER INTERNATIONAL CIVIL SERVANTS
FÉDÉRATION DES ASSOCIATIONS DES ANCIENS FONCTIONNAIRES INTERNATIONAUX
FEDERACION DE ASOCIACIONES DE EX-FUNCIONARIOS INTERNACIONALES

**Forty-second session of the Council
New York, 8-11 July 2013**

Report of the session

1. The forty-second session of the Council of the Federation of Associations of Former International Civil Servants (FAFICS) was held from 8-11 July 2013 at United Nations headquarters in New York under the presidency of Roger Eggleston. A meeting of the Standing Committee on Pension Issues under the chairmanship of Gerhard Schramek was held on the first day immediately after the formal opening of the session. On the third day of the Council session, the Standing Committee on After-Service Health Issues and Long-term Care met under the chairmanship of Linda Saputelli, while the FAFICS Bureau met on the eve of the Council session.
2. Council observed one minute's silence in honour of former colleagues who had passed away and those international civil servants who had lost their lives in the service of the United Nations over the past year. Particular tribute was paid to Molly Bruce, a former President of FAFICS, who had passed away in 2012.

Agenda item 1: Opening of the session

3. The FAFICS President declared the meeting open on 8 July at 10 a.m. and bade the participants welcome.
4. Catherine Pollard, Assistant Secretary-General for Human Resources Management, welcomed the participants to UN headquarters and expressed the hope that they would be able to go over to the newly renovated Secretariat building.
5. It was no secret that the world was going through hard times, to which the United Nations was not immune. In an environment marked by austerity and frugality, the demand that more be done with less was no longer a cliché, but stark reality. Budget cuts in the order of millions had to be effected, necessitating staff cuts while ensuring the maintenance of standards. Mandates continued to increase. In an environment of scarce resources but plentiful work, creativity was called for. A key element was streamlining the manner in which the organisation worked. In the field of human resources, the host of contracts had been reduced to one with three durations, making it easier to administer staff. Conditions of service had been harmonised throughout the system. Agencies no longer competed with each other and cross-organisational mobility had been made easier. Staff had more opportunities to move positions and gain different experience; they could be deployed to areas where they were most needed.
6. Cohesion was a major focus. The Chief Executives Board had been strengthened significantly over the past few years. The Human Resources Network was active in developing, for example, a coherent, unified approach to emergency preparedness, family support and support to victims – and promoting programmes such as UN Cares for those living with HIV-AIDS. In moving forward, the focus would also be on the

upcoming review of conditions of service by the International Civil Service Commission (ICSC). There again, the goal would be to find a modernised approach that offered value for money, while maintaining the leading position of the United Nations in terms of recruitment.

7. Catherine Pollard stressed that the world of human resources management was as challenging as ever. She would thus follow with interest the Council's deliberations on issues of particular concern to her, such as pension issues and after-service health insurance. She wished the participants every success in their deliberations and an enjoyable stay in New York.
8. In thanking Assistant Secretary-General for Human Resources Management for her kind words, the President asked whether she would be willing to take a few questions from the floor.
9. The first round of questions touched upon a broad range of issues ranging from the difficulties that participants in United Nations meetings experienced when applying for visas to travel to the United States and the degree of assistance that the United Nations could provide to retiree associations in the field in terms of basic facilities and pre-retirement briefing sessions for staff in far distant locations. The second round of questions enquired about the impact of the increase in the normal retirement age to 65, ways and means of improving access to UN buildings that not only involved access alone, but also entailed proper briefing on the issue.
10. In her reply, Catherine Pollard stressed that access to UN facilities was a problem. Security was currently 'iron-clad'. The provision of retiree passes was being explored and a strengthening of relations with field offices would certainly be welcomed. To facilitate matters, **FAFICS was requested to draw up a list of its concerns in both respects, which she would pass on to the UN Security Service and Central Services.** The point about the lack of pre-retirement seminars was well taken: a lacuna that had already been observed. At present, work was being carried out on the preparation of on-line material.
11. The increase in retirement age was a 'hot potato'. The organisation was interested in retiring people to provide openings for new talent. The financial impact of the increase was not as catastrophic as some had feared. The issue would also be taken up in the Human Resources Network
12. Speaking on behalf of AFICS-New York, Linda Saputelli welcomed the participants to the UN Secretariat. She apologised for the delays in the Pass Office despite the great lengths to which the association had gone in preparing the lists in compliance with official requirements. She described the amenities in the immediate vicinity of the conference room and listed the events that had been scheduled for the week. She wished the participants every success in their deliberations.
13. The President thanked AFICS-New York wholeheartedly for the facilities they had secured for the meeting and the efforts they had invested in ensuring its success. He also thanked the FAFICS Secretariat for having issued all the documents in a timely manner, thus ensuring that people were fully briefed on arrival in the conference room.
14. Jayaraman Sundaresan, FAFICS Secretary, distributed a list of the 34 member associations that were represented at the session, directly (27) or by proxy (7). The list of participants is contained in Appendix 1.

Agenda item 2: Adoption of the agenda and work programme

15. Council considered the provisional agenda as submitted (document Council 42/2013/D.1), together with the provisional schedule of work (document Council 42/2013/D.1a). The agenda was adopted as contained in Appendix 2, it being understood that an interim report on the responses to a questionnaire on solidarity funds and the UNJSPF Emergency Fund would be taken up under agenda item 15 [Other business], together with a status report on the situation confronting the former UNJSPF participants from the former USSR, Ukrainian SSR and Byelorussian SSR, as well as any other topics that might emerge in the course of deliberations. The list of documents submitted to Council is reproduced as Appendix 3.

Agenda item 3: Election of a Presiding Officer and Rapporteur

16. Council elected Mary Johnson (AAFICS-Australia) to preside over the session. Peter Lillie (ARICSA-Vienna) was elected rapporteur.

Agenda item 4: Admission of new members

17. Applications had been received from associations in five countries: Benin, Cyprus, Nepal, Niger and Togo. All five associations, the total strength of which was in the order of 200, had been found to meet the conditions for membership of FAFICS as full members. Tribute was paid to the efforts of both Andres Castellanos and Pierre Adama Traoré, both of whom had been instrumental in laying the ground for the palpable growth in the Federation's membership.
18. Council welcomed the new associations with a round of applause.

Agenda item 5: Report of the President

19. In presenting his report contained in document Council 42/2013/D.5 (see Appendix 4), the President pointed to the 83 per cent growth in membership over the past ten years. Increasing the involvement of UN system retirees in the work of the Federation remained a high priority. Thanks to that growth and a closer working relationship that the Federation had built up with the Pension Fund, FAFICS was fully recognised as an equal partner in the deliberations of the Pension Board and its various working groups. It had been particularly heartening to see that the FAFICS had been recognised in Pension Board reports and elsewhere as 'representing the retirees'. Further evidence of the benefits of the closer working relationship was the swiftness and sympathy with which interventions by the President or the Secretary and others were met by the staff of the Pension Fund Secretariat - both in New York and Geneva.
20. To his mind, the Bureau had come of age and the functional re-engineering of the Bureau had yielded a balanced distribution of work among its members. Further evidence of the initiatives seized by the Bureau was the posting of three issues of the Federation's e-newsletter *FAFICS MATTERS*.
21. The primary focus of the Federation's work remained on issues in the areas of pensions and health insurance, with FAFICS playing an increasingly active role in the Pension Board as well as in the Health Insurance Committees at various duty stations. However, the time had come for FAFICS to adopt a more international role. In that context and in the light of the statutory objective of supporting and promoting the purposes, principles and achievements of the United Nations, the Federation could well address the growing concern over ageing in the global context and contribute to furthering the development of a UN convention on the rights of older persons.

22. Taxation was a matter that excited and concerned Council participants in equal measure. The Bureau had thus decided to gather and maintain as much current and accurate information as possible on the taxation of UN pensions everywhere. The inventory would be drawn up by the Treasurer and close liaison would be maintained with the informal group that communicated with each other on taxation issues.
23. In closing the President expressed his deep appreciation to the Secretary, Assistant Secretary and Treasurer as well as to the members of the Bureau for their unflagging commitment to the work of the Federation.
24. In the ensuing discussion, it was suggested that the titles of the new member associations be included in the report. It was also pointed out that in addressing the issue of ageing and contributing to the development of a convention, FAFICS could profitably draw on the expertise and experience of such organisations as the Association for the Advancement of Retired Persons (AARP).
25. In reply to a question about the relations with UN staff associations, the President stated that ties were maintained with FICSA, CCISUA and UNISERV. He also added that staff would be better served, were the three disparate federations to unite once again and act in a properly co-ordinated manner on behalf of all staff.
26. The President was commended on the early distribution of all documents for the current session of the Council and the brevity of his own report. The Federation was also to be commended for having chosen such a clever title for its e-newsletter.
27. In concluding the agenda item, Council took note of the President's report with appreciation.

Exchange with the CEO of the UNJSPF and his colleagues

28. The day prior to taking up the agenda item on pensions issues, Council met with Sergio Arvizu, the CEO/Secretary of the Fund, Alan Blythe, Chief, Geneva Office, Karl Ludwig Soll, Chief Financial Officer, Frank De Turrís, Chief Operations, Jaana Sareva, Chief Legal Office, Paul Dooley, Chief of IT, Dulcie Mapondera, Senior Legal Officer, Christine Höfer, Head of Client Services, Caroline Kaiser, Special Assistant to the CEO, and Eddie Stanczak, IT specialist.
29. Sergio Arvizu provided a comprehensive update on the status of the Fund. Following the presentation, the CEO and other members of the Pension Fund Secretariat fielded a broad range of questions on pension-related matters (see Appendix 5).

Agenda item 6: Pension issues

(a) Report of the Standing Committee on Pension Issues

30. Gerhard Schramek introduced the Standing Committee's report (document Council/2013/CRP.3). He drew attention to the major issues that had been addressed in the course of the discussion in the Standing Committee and the recommendations that had been put forward. The latter related to: the recommendations of the Working Group on Sustainability on early retirement and the adoption of early retirement factors; the establishment of an assets and liabilities monitoring committee; small pensions; application of paragraph 26 of the Pension Adjustment System; the Emergency Fund; the implications of having an increasing number of beneficiaries of advanced age in the

Pension Fund; and the capacity of the UNJSPF to maintain an appropriate level of service to all its beneficiaries – especially the oldest among them.

31. Minor amendments were suggested and incorporated in the report. The representatives were asked to raise the issue of adjusting the scale for small pensions as an interim measure: a topic that had been raised in the discussion the previous day with CEO.
32. Council took note of the Standing Committee's report and the amendments thereto (see Appendix 6), together with the issues raised in the discussion.

(b) UNJSPF appeal procedures

33. Dr. Pio introduced the note on UNJSPF appeals procedures that he had prepared as President of his association (document Council/2013/D.6b). The basis of his paper was the issue of procedural fairness and whether the procedures followed by the UNJSPF Standing Committee bore comparison with those followed by the United Nations Dispute Tribunal and the United Nations Appeals Tribunal.
34. In his presentation, he spoke of the Universal Declaration of Human Rights as being the juridical basis for the determination of rights and obligations. He went on to describe the basic elements of a fair trial, such as a competent, impartial and independent tribunal or the principle of the equality of arms. Whereas the elements that constituted a fair trial were to be found in the UN appeal procedures on non-pension issues, the author of the paper found them to be absent in the procedures governing appeals on pension matters. For example, the latter did not provide for the right to advice and representation by a legal adviser nor did they provide for oral hearings; the principle of 'equality of arms' was not respected. His conclusion was that appeals on pension matters failed to observe Article 7 of the Universal Declaration of Human Rights.
35. In the ensuing discussion, it was felt that the presentation might have been better in the form of a panel discussion as the presentation had focused on only one side of the equation. It was felt to have been driven by the author's personal experience of the UNJSPF Standing Committee, whose decision has since been remanded and returned to the Standing Committee by the United Nations Appeals Tribunal that had found in favour of the appellant. It would have been interesting to hear the other side of the case or a differing opinion on basic principles. It was agreed that the presentation had been most thought-provoking.
36. Council considered that the issues raised in document Council 2013/D.6b in respect of the UNJSPF appeal procedures should be referred to the Bureau for reflection. The Bureau was requested to report its findings thereon to the forty-third session of the Council.

Agenda item 7: After-Service Health Insurance and Long-Term Care (ASHIL)

(a) Report of the Standing Committee

37. Linda Saputelli introduced the report of the Committee on ASHIL (document Council/2013/CRP.4). At its meeting the previous day, the Committee had discussed the need to monitor closely developments related to 'after-service health insurance liabilities', a subject that had been raised much to the concern of FAFICS in General Assembly resolution 64/241. It had been reassuring to note that the UN Legal Council had confirmed that the provision of after-service health care was to be considered an acquired right. Concern had also been expressed about the adequacy of coverage for hospitalisation and the fact that some retirees had missed deadlines on account of an oversight or delays in the pouch or

postal service and were thus excluded from after-service health care. Instances were cited of requests to renew participation having been successfully entertained, while the extent of hospitalisation coverage in other health insurance plans could be obtained from the FAFICS data-base on the insurance provisions of the various health insurance plans.

38. The extent of the savings that had accrued to both Aetna Life Insurance and Blue-Cross/Blue Shield Insurance since the introduction of support from United Nations New York for the participation of retirees in the US Medicare B Programme would have an impact on the discussion of funding after-service health care that the General Assembly would take up at its 68th session.

39. The Standing Committee had agreed to include an item on its agenda for 2014 related to the provision of long-term care. It had also agreed to set up a working group of associations linked to self-insurance schemes. Council subsequently agreed with the proposal that AAFU/AFIS lead the working group.

40. In the ensuing discussion importance was attached to ensuring that the FAFICS data-base on health insurance provision be regularly updated. Two minor amendments to the report were suggested and duly incorporated.

41. Council endorsed the Standing Committee's report and the amendments thereto (see Appendix 7).

Agenda item 8: Creation within FAFICS of a caucus

42. Michael Atchia introduced a note on establishing a caucus within FAFICS (document Council 42/2013/D.8). As proposed, the caucus would comprise a consultative group of past directors of United Nations agencies who would focus initially on ageing. That initial step could be followed by the creation of a programme and, at a later stage, an agency that would cater for the needs of older persons. He recalled that over the years every country had set up institutions to protect children: a move that had ultimately led to the founding of UNICEF.

43. In the ensuing discussion, some reservations were expressed. It was felt that the Federation should be realistic in its aspirations and reference was made to the time needed to set up UN Women. Other suggestions were that it would be more productive, were the Federation to attach itself to an agency involved in ageing-related matters, although it was conceded that such a step would call for resources. The time was inappropriate for the establishment of a new body, particularly at a time when the UN system was cutting back on older staff members in direct contravention to any concept of the rights of older persons. It was also erroneously claimed that no country had set up a ministry for ageing, although one such ministry had long been established in Israel.

44. It was pointed out that much stood to be gained from drawing on the expertise and experience of such bodies as the DESA open-ended working group on ageing or the extensive work that UNECE in Geneva had undertaken in respect of ageing. Other mechanisms on ageing could be used such as the NGO committees in New York, Geneva and Vienna. It would be better to work through existing frameworks and monitor developments accordingly. Moreover, the creation of an agency was not a matter of great urgency. Thus, FAFICS did not need to strive for an agency at the present juncture; its primary objective should be the development of a convention. It was also pointed out that FAFICS should first work on the idea in a national context. As another delegation pointed out, FAFICS and its member associations could hardly stand aloof at the country level and then talk about drafting a global convention or setting up an international body.

45. In the course of the lively debate, equally strong support was expressed for the idea of a caucus and contributing to the development of a UN convention for older persons. FAFICS, it was claimed, was eminently suited to the task on hand. The creation of a caucus or the establishment of a new body called for special efforts as any institutional development required a lot of thought. The problem lay more perhaps in harnessing the energy of elder people committed to the idea. It was suggested that it was very apposite to be discussing the idea; it was essential, however, to take stock of which body was doing what and where. It was also felt that FAFICS should contribute where it could and enter into joint activities with such agencies as WHO, whose remit included ageing in the broadest context.

46. A cautionary note was struck with respect to the difficulties of defining the term 'ageing'. No universally valid definition applicable to all countries had been drawn up. The EU definition of ageing was at variance with that of other regions. Furthermore, the circumstances of older persons in different countries varied greatly. In France, for example, 85 per cent of the older people were said to be completely autonomous. There was the risk of inadvertently entering into the realm of age-related discrimination or the stepwise decimation of human rights, as well as instigating a generational conflict between the jobless young and the older segment of society that enjoyed the benefit of a pension.

47. The Presiding Officer spoke of the many ideas that had been broached, such as protecting the rights of the elderly and guarding against potential intergenerational conflict. Setting up a think tank as had been suggested or developing a convention would require volunteers. She saw the discussion as a first step in the process and she asked the Bureau to provide the necessary instructions and guidelines so that the momentum generated would not be lost.

48. The President thanked Michael Atchia for having instigated such a rich discussion. Thanks to his initiative, the door had been opened further on the issue of ageing in FAFICS. The ideas generated were very much in accord with the statutory goal of the Federation of supporting the principles and purposes of the United Nations. It was thus essential that **member associations make every effort to celebrate the United Nations Day of Older Persons each year on 1 October**. It would also provide a good opportunity for exploiting the potential to be derived from drawing on the networks that the Federation and member associations had established over the years. Other institutions that the Federation might approach were to be found in document Council 42/2013/D.8/Add.1. The whole enterprise would call for a careful step-by-step approach, the basic principle being to support and enhance the UN system's role in age-related matters.

49. Council took note of the documents and agreed that work should continue on exploring the potential for a caucus. The President and Bureau were requested to draft guidelines on the further steps to be taken and the issue would be taken up at the Council session in 2014.

Agenda item 9: Membership

50. The President introduced the note he had prepared on the very nature of FAFICS membership (document Council 42/2013/D.9a). He stressed that nowhere were member associations denominated as national. Associations were location-based rather than nation-based.

51. The statutes insisted on membership being open to all UN system retirees. In fact, associations reached out not only to its members, but to retirees resident in different countries as well.

52. At present, the total strength of FAFICS was 57 member associations with individual members resident in 126 countries. However, the people to whom the associations lent support went far beyond the confines of the individual associations. The data presented in the note showed the percentage share of FAFICS members in relation to the total number of UNJSPF beneficiaries by country.

53. In the ensuing discussion, some doubts were raised about the accuracy of the figures shown, although they had been based on a list of members by country as reported by member associations that the Treasurer had drawn up. The figures provided a good baseline, but there was an element of double counting and the numbers should be re-checked.

54. It was also explained that AFICS-New York did not turn away beneficiaries who sought information, but encouraged them to join at the time of enquiry. In India, both retiree associations had members who were members of two associations or more. AAFI-AFICS-Geneva organised events that were open to all UNJSPF beneficiaries. It was essential that people be made aware of the benefits they stood to gain as members; the value of membership should be apparent to all.

55. In the case of Niger, the most recent entrant to the ranks of the Federation, the association had 43 members. It was fully committed to the principles and objectives of the United Nations. It was open to all nationalities and was strictly non-denominational. The annual letter of the CEO of the Pension Fund had been instrumental in drawing attention to the role of FAFICS. Supplemented by the support given by Pierre Adama Traoré and the FAFICS Secretariat, the association had established itself. It was felt that the organisation of a pre-retirement or retirement seminar *sur place* would help to augment the strength of the association.

56. In the case of Japan that had joined the previous year, membership had grown from 26 to 63 following the listing of the association in the annual letter of the CEO. The association was very open and harboured great ambitions. It was felt that the establishment of the association would have an impact on, and contribute to, the internationalisation of Japan. At the same time, Japan was in the forefront of remarkable technological developments (robots) that were designed to facilitate the care of the ageing. It was conceivable that the Federation could learn from those advances and other developments in Japan.

57. In response to a query, the President pointed out that the statutes of the Federation provided for the possibility of having more than one association in one country; India was a case in point. Furthermore, according to the statutes of the Federation associations must be open to all former officials of the UN system, which included both the World Bank and IMF. Admittance of former officials from other international multilateral organisations was a matter that individual associations could decide upon on an ad-hoc basis.

58. In closing, the President remarked on the role played by the annual letter of the CEO of the Pension Fund as a vehicle for generating interest in FAFICS and laying the ground for the eventual establishment of new member associations. It bore testimony to the growing recognition of FAFICS as the representative of the retirees in the Pension Fund and Board alike.

59. Dr. Pio gave a presentation on the effectiveness of promotional activities as a means of increasing FAFICS membership based on a survey he had conducted (document Council/2013/D.9b). Whereas the total number of UNJSPF beneficiaries had increased by 16 per cent over the past five years, FAFICS membership had only registered a growth of 9 per cent.

60. Among the many findings of the survey, to which a statistically significant number of associations had replied, pre-retirement seminars and promotional letters from the CEO were reported as being clearly effective in generating increased membership. Most associations sent e-mail messages, issued invitations to association meetings, made telephone calls or drafted promotional letters for distribution by the CEO. Far fewer associations resorted to brochures, had access to pre-retirement seminars, published newsletters or had a broad range of personal contacts. Most activities were planned without the advice of a communications expert. Results had varied across associations.

61. The most effective tools were newsletters, support lent to surviving spouses and alerting beneficiaries to missing certificates of entitlement. Moderately effective were social events and lectures on health issues. Least effective was information on cultural events.

62. Dr. Pio stressed the importance of association websites, forceful slogans, professionally drafted promotional material, illustrated brochures and professionally conducted telephone calls.

63. In the ensuing discussion, it transpired that the survey had been random in nature in that not all associations had been approached nor had the officers of the Federation been apprised thereof. Member associations described their activities, many of which were in line with the priorities set in the presentation. Among the many activities mentioned, some had yielded disappointing results, others very satisfactory results, where the UNJSPF promotional letter was concerned. Other associations offered language courses, gave advice on pension matters, secured access to UN buildings, obtained retiree IDs for members located away from major duty stations, promoted and assisted with anti-influenza vaccinations, secured preferential rates with doctors, published newsletters in two languages, organised outings, set up reading clubs, ran successful websites or provided assistance in overcoming computer problems. Clearly, associations had to offer services that were tangible and close to members' needs and interests. People had to be convinced that they were getting something in return for joining.

64. At the same time it had to be appreciated that some people wished to be left in peace for the initial phase of their retirement; in some locations membership in associations and staff unions in general was said to be dropping. It had to be remembered that, however much assistance the Pension Fund or FAFICS might be able to offer, the main actor was ultimately the association itself. An association's members were its best 'marketeers'.

65. The discussion pointed up the difference between associations close to UN structures and those far away from any such structures. It was quite obvious that one size did not and could not fit all. The President was planning to meet Helen Clark, UNDP Administrator, to seek her cooperation in ensuring that the need to assist local retiree associations in as generous a manner as possible could be impressed upon Resident and Resident Coordinators. In fact, the issue went beyond that level and should be drawn to the attention of the Secretary-General as Chairman of the CEB.

66. The initial outcome of the questionnaire was commendable. However, further information was needed and should be collected in an organised manner. **It was thus agreed that in future all surveys and questionnaires would first be cleared with the FAFICS Bureau.** In closing, Dr. Pio thanked the participants for their comments and apologised for not having sought the advice or advance clearance of the Bureau and the previous President.

67. **AFICS Argentina (Dr Pio) was asked to follow up all the responses and interventions on the subject and prepare a comprehensive list of actions that associations could consider undertaking in order to increase membership.**

68. In the final analysis, it was agreed that member associations should endeavour to:

- **Set targets for increasing membership**
- **Plan promotional events with the help of experts**
- **Organise pre-retirement seminars**
- **Report on their experience to the FAFICS Bureau**

69. Equally, the FAFICS Bureau should endeavour to:

- **Disseminate information on member associations' promotional activities**
- **Issue general guidelines on promotional activities**
- **Support pre-retirement seminars by providing audio-visual material**
- **Monitor statistics on associations' membership figures**
- **Promote joint UNJSPF-FAFICS missions**
- **Request the UNDP Administrator to issue guidelines on the support to be given to local UN retiree associations**

Agenda item 10: FAFICS representation at meetings

70. Council took note of the report on meetings that FAFICS had attended (document Council 41/2013/D.10). In addition to a FAFICS representative having attended the UNECE Ministerial Conference on Ageing in Vienna in September 2012, FAFICS had been represented at the following meetings in New York: the International Civil Service Commission (ICSC), July 2012; The United Nations Open-ended Working Group on Ageing, August 2012; the International day of Older Persons, 1 October 2012; ICSC, February 2013; the High-level Segment on Ageing of the Commission on Social Development, February 2013; and the Committee on Status of Women, March 2013.

71. In the ensuing discussion, importance was attached to determining which meetings should be attended and the use to which the reports could be put. **The President recalled that the four priority areas were human rights, ageing, gender and HIV-AIDS. In the interests of selecting the most relevant meetings, the President would decide on those to be attended and approach the member association best suited in terms of location and capacity. Reports by FAFICS representatives to such meetings were to be submitted in each case to the President and later incorporated in a report to the following session.**

Agenda item 11: Administrative and financial questions

(b) Subsidies

72. The President introduced the note that he had drafted on subsidies for participation in FAFICS Council and Bureau sessions, as well as in the UNJSPB (document Council 42/2013/D.11a). The Bureau had analysed data relating to the payment of subsidies since 2007, whereafter it had drawn a distinction between FAFICS events that members wished or decided to attend (the Council) and those in which individual association members were elected or appointed to participate (the Bureau and the Pension Board).

73. Given the growing number of member associations, it was increasingly difficult to contemplate financial support for a very limited number of associations so as to enable them to attend Council sessions. He recalled that on joining FAFICS, associations had committed – or should have committed – themselves to participating in Council sessions. In that spirit,

every association should be encouraged to make efforts to ensure that at least one representative attended each session of the Council. It was stressed that funds could be raised by means other than increasing membership fees.

74. The Bureau had concluded that the most appropriate way of supporting participation in Bureau meetings would be to offer a flat rate to all Vice-presidents based on a three-tier scale. Those who had no travel costs - \$0; those within the same continent - \$400; and those with intercontinental travel - \$1,200. That support would be for all costs of participation in Bureau sessions, it being understood that the amounts of \$400 and \$1,200 would be most unlikely to meet all the costs incurred. In any event, the amounts of \$400 and \$1200 would be maxima, and participants could claim lower amounts or, indeed, no support, if their associations were willing and able to support their participation

75. The Bureau had also recognised that support for the participation of FAFICS representatives in the Pension Board was a more complex matter. FAFICS had the right to send 4 representatives and 2 alternates to the Board. The distinction between representatives and alternates followed a voting pattern established by the Board and was somewhat moot in the context of FAFICS. The Pension Board paid travel and UN per diem costs for **two** FAFICS representatives; traditionally that support had been provided to the President and the representative travelling the longest distance to the Board session.

76. Given the strength and global nature of the Federation, the Bureau considered that the matter would be most easily solved, were the Fund to meet the costs of all those representing FAFICS. To that end, the President had contacted the CEO, who agreed to propose to the Pension Board the introduction of financial support for all FAFICS participants in the Pension Board. The matter would be taken up at the upcoming session of the Board.

77. Whereas one association suffered no lack of volunteers willing to pay their own way regardless of distance, support for the proposal was voiced.

78. Council approved the three-tier scale for the purposes of providing travel subsidies as described in document 42/2013/D.11a.

(b) Budget for 2014

79. In introducing the draft budget (document Council 42/2013/D.11b), the Secretary pointed to the various scenarios that had been developed to facilitate the decision that member associations might ultimately take on the level of membership fees in 2014. The President drew attention to the segregation of travel expenses in the proposed budget. The former budget line 'Travel expenses' had been split into three lines ['Travel', 'Participation in meetings' and 'Representation'] in order to increase transparency and clarity of the proposal for what was a major item of expenditure. 'Travel' would cover the travel and partial daily subsistence allowance of the President, the Secretary and, if necessary, the Treasurer attending the 43rd session of the FAFICS Council as well as the 2014 mid-term meeting of the Bureau. 'Participation in meetings' would cover support to Vice-presidents attending the mid-term Bureau meeting (\$6,400) and to those FAFICS representatives attending the Pension Board whose travel was not paid by the Pension Fund (\$4,800). 'Representation' would be used to meet the cost of participation in advocacy activities of importance to FAFICS, such as attendance at the UN Fifth Committee, ICSC, FICSA and meetings of regional associations. Such costs could be incurred by the President or anyone else on his/her behalf.

80. The splitting of travel into three discrete categories was welcomed. However, as was to be expected, discussion centred on the issue of membership fees. At an early stage in the discussion, the proposal for an annual flat fee of \$50 was seen to be inequitable for smaller

associations. Varying degrees of support were expressed for all scenarios. In the final analysis, consensus was reached on scenario B: a contribution rate of \$1.50 per member.

81. Concern was expressed over the lack of programmatic content in the budget and an apparent lack of logic. For example, no indication had been given of the accumulated rate of inflation. The draft budget appeared to make no provision for FAFICS MATTERS. Assurances were given that hospitality funds were not used to pay for the lunch of all members of the UNJSPF delegation at the Council session.

82. Council took note of the proposed disbursements and approved the budget for 2014. The approved budget is contained in Appendix 8.

(d) *Interim report on the management of the budget in 2013*

83. In his introduction of the interim report on the management of the budget in 2013 (document Council 42/2013/D.11b (i)), the Secretary pointed out that certain membership contributions were still outstanding. No outlays were foreseen in respect of equipment; to date no funds had been drawn down from the line for secretarial assistance.

84. In the ensuing discussion, the Bureau was commended for having approached the budget in a highly professional and cautious manner. Council was informed that Australia had since paid its arrears; Canada would do likewise in the course of the Council session. Nigeria would rectify the matter of its arrears in the near future.

85. Comments were made about the Federation's membership in FICSA. Although the fee had been lowered to \$300, some associations felt it would be appropriate for the Federation to be granted free membership. It was pointed out that thitherto FICSA had seen FAFICS , although a federation of retiree associations, as a body on equal footing with staff associations and unions that represented serving staff in receipt of salaries. The question of the financial contribution, if any, that FAFICS should pay to FICSA had yet to be resolved – in particular, given the specific technical expertise that FAFICS freely shared with FICSA. In the past some FICSA member associations had volunteered to bear the costs of the Federation's membership fee. It was not known whether the same generosity had prevailed at the most recent FICSA Council in February 2013.

86. Council took note of the interim report on management of the budget in 2013 and the comments made in the course of the discussion.

(c) *Report by the Auditors*

87. In his introduction of the auditors' report (document Council 41/2013/D.11c), the Secretary pointed out that the auditors had approved the balance sheet and the income and expenditure accounts for 2012. Attention was drawn to the erroneous entry relating to the FAFICS Council in Paris. Although Council had been in session for five days (25-29 June 2012), the four persons undertaking preparations *in situ* for the session stayed for a longer period (20-29 June 2012). Furthermore, it would have been more correct to speak of 'subsidy at 80 per cent' instead of using the term 'per diem'.

88. Council took note of the report for the year ended 31 December 2012 and thanked the auditors for the conscientious manner in which they had gone about their work. **In keeping with the auditors' recommendation, Council approved the balance sheet and the income and expenditure account.**

(d) *Appointment of the Auditors for 2014*

89. Council was informed that the auditors, Mr. Ventura Garcia Garnateo and Mohammed Rharha, had agreed to accept re-appointment.

90. Council confirmed both re-appointments and thanked the auditors for their stalwart services.

Agenda item 14: Election of FAFICS Officers

91. The Secretary had circulated the names of all candidates standing for office in FAFICS in accordance with article 6.7 of the Federation's Rules of Procedure (Council 41,2013/D.12.Add.1).

92. Roger Eggleston was elected President by acclamation.

93. Seven Vice-Presidents were elected by acclamation.

- Michael Atchia
- Katia Chestopalov
- Helene Hasselbalch
- Ahmed Hussain
- Linda Saputelli
- Josiane Taillefer
- Pierre Adama Traoré

94. Jayaraman Sundaresan and Wolfgang Milzow were elected by acclamation to the post of Secretary and Treasurer, respectively.

95. Council also elected the Chairs and Vice-Chairs/Rapporteurs for the two Standing Committees:

Standing Committee on Pension Issues

Chair: Gerhard Schramek
Vice-Chair/Rapporteur: Pauline Barrett-Reid

Standing Committee on ASHIL Issues

Chair: Linda Saputelli
Vice Chair/Rapporteur: Georges Kutukdjian

96. In closing the elections, the Presiding officer wished those elected every success in their endeavours on behalf of FAFICS.

97. In the light of the stalwart and unflagging services she had provided to the Federation over countless years, Lydia Ontal was accorded the title of Honorary Assistant Secretary. In thanking the Federation for the honour bestowed upon her, Lydia Ontal remarked that with her acceptance of the title she had become 'part of FAFICS history'.

Agenda item 15: Appointment of FAFICS representatives to the United Nations Pension Board 2014

98. In introducing the agenda item, the President stressed the growing scale and complexity of the deliberations in the Pension Board that called for an ever-increasing level of competence and expertise on the part of the Federation. He conceded that over the years the selection of representatives to the Pension Board had always proven to be a difficult issue. The appointment procedure at the current procedure had proven to be no exception to that rule. He thus proposed that at the FAFICS Council in 2014, the Bureau present a proposal for changes in the rules of procedure governing the selection and appointment of representatives to the Pension Board. The President went on to propose that Council formally appoint its four representatives to the Pension Board and leave the nomination of the alternates to a later date after appropriate further consultation and discussion both within the Bureau and without.

99. Tedla Teshome considered the practice totally unacceptable and it did not meet the Federation's principles of equity and balance. Another participant considered that the process of selecting alternates who would serve their first term 'learning the ropes' would provide for seamless transition.

100. In accordance with the modus proposed by the President, Council appointed the following persons to represent the Federation in their capacity as representatives at the Pension Board in 2014:

Roger Eggleston
Gerhard Schramek
Katia Chestopalov
Marashetty Seenappa

Agenda item 16: Date and place of the 43rd session of the FAFICS Council

101. The date and place of Council sessions hinged on the venue and date selected for the session of the Pension Board. The Pension Board would be meeting at FAO headquarters in Rome, the Federation would thus meet early in July 2014 back-to-back with the Pension Board.

102. The principles governing the selection of venues for the meetings of the pension Board notwithstanding, the President was urged to enquire about the possibility of holding a session of the Pension Board away from New York, Geneva or elsewhere in Europe. It was suggested that consideration might be given to Nairobi or Bangkok.

Agenda item 17: Other business

103. Council took up the following issues under other business:

(a) Questionnaire on solidarity funds and the UNJSPF Emergency Fund

104. Josiane Taillefer introduced the interim report on the responses to the questionnaire on solidarity funds and the UNJSPF Emergency Fund. The interim findings showed that certain associations did not have solidarity or benevolent funds for a variety of reasons ranging from the availability of adequate social welfare provisions that made supplementary funds redundant, an insufficient number of members, to closure of the fund owing to over-expenditure and non-reimbursement. Others, such as AFUS/AFICS had a solidarity fund that provided grants and loans not only to its own members, but also to members of other associations, as well as victims of natural disasters. **Ms. Taillefer was requested to**

continue to build up a repertoire of associations' solidarity funds and to complete the report.

105. As for the UNJSPF Emergency Fund, some ten associations did not encourage their members to approach the Fund, whereas other associations had applied successfully, albeit after a rather lengthy administrative process. Indeed, retirees were reported to have found the application procedure unduly protracted and complex. The report suggested steps for improving the process that would improve the funds utilisation factor.

106. In the course of the discussion, it emerged that a number of associations had not replied to the questionnaire; some would do so and thus contribute to the completeness of the report that would be taken up for discussion at the Council session in Rome. Whereas one association spoke of taking steps to set up a fund, other associations spoke of people's unwillingness to draw attention to their plight and still others spoke of the difficulties of finding people to serve on a solidarity fund committee. In the case of the New York-based fund, it was a charitable foundation that had to have an independent board; it also had the advantage that being a registered charity, any donations to the foundation were tax-deductible.

107. It was pointed out that the UNJSPF Emergency Fund did not have meetings to review requests as that would slow things down. In the interests of efficiency requests were addressed individually as and when they were received. Regrettably, the Emergency Fund had never utilised to the full the funds at its disposal. It was suggested that procedures be simplified so as to augment the utilisation of resources available. The resources could thus be increased in keeping with the rate of inflation and the increasing number of beneficiaries, while the criteria for exceptional circumstances could be broadened. The failure to use the totality of funds might be attributable to the 'unintended law of circumstances'. On the one hand, the managers of the Emergency Fund were aware of the cap on resources and thus had to husband them carefully over the biennium, while on the other hand unused funds could not be carried over from one biennium to the next. That issue could be profitably addressed in the report to be presented to the Council session in Rome in 2014.

108. Council took note of the interim report and awaited the final report with interest.

(b) The situation confronting the former UNJSPF participants from the former USSR, Ukrainian SSR and Byelorussian SSR

109. Mikhail Gunar introduced the note that AFICS-Moscow had prepared on the current plight of the UN retirees in the former Soviet Union, Ukrainian SSR and Byelorussian SSR (document Council 40/2013/D.15a). While fearing that he might bore the participants in the Council, the representative of AFICS-Moscow felt compelled to summarise the history of the issue. He described the commitments that the former USSR had entered into in an agreement in 1980 to transfer funds in the order of \$38 million from the Pension Fund to the USSR Social Security Fund. The transfer agreement did not apply to former participants from the former USSR who had left the United Nations system before the agreement came into force on 1 January 1981. Whereas former participants in the Ukrainian SSR and Byelorussian SSR who left after the entry into effect of the agreement received nothing, the former participants in Russia received a modest supplement to their minimal state pensions. Despite the terms of the agreement that all three states had entered into, none of the former participants in Ukraine or Belarus, who at the time had been coerced into complying with the transfer agreements, had ever received any supplements to their minimal state pensions. The Ukrainian government was of the opinion that since the funds had been transferred to the USSR Social Security Fund and had not been subsequently re-distributed, the responsibility lay with the Russian Federation as successor state to the USSR. The

government of Belarus was currently adopting the same position. The former participants in Belarus were planning to set up an association and apply for FAFICS membership.

110. Countless letters from the retiree associations to leading political figures and heads of ministries in all three countries had thus far been to no avail, nor had earlier overtures by the former United Nations Secretary-General proven successful. Most regrettably, in 2002 both the Fifth Committee and the General Assembly dropped the issue from their agendas.

111. The three governments involved had pursued an evasive policy, assuring the former participants that their interests would be taken into consideration by ministries responsible for social security matters. That trail of broken promises continued to the present day, the sense of dismay and futility being compounded by the arguments that the budgetary resources were not available to meet the former participants' justified requests for adequate pensions that had been assured to them under the terms of the transfer agreement.

112. In the ensuing discussion, the sad plight of the former participants was fully recognised. The situation was described as an outrageous case of funds being 'pilfered', making the inability to break the logjam all the more unbearable. The situation, it was said, had been allowed to fester too long. It had proven very difficult to find legal experts who might be able to advise on the matter. However, a greater openness of mind was apparent in the Pension Fund Secretariat and something to the good might well emerge.

113. The President assured Council that the Federation would continue to fight. It would build on the new relationship with the CEO of the Pension Fund. Furthermore, **a conference room paper on the issue would be prepared for distribution at the session of the Pension Board the following week.**

114. Council took note with sympathy of the summary of the situation and trusted that a new initiative could be launched.

(c) Joint Inspection Unit (JIU) report

115. Attention was drawn to the fact that the JIU was currently preparing a report on the use of retirees and staff beyond the mandatory age of retirement in the United Nations. **The Federation should remain in contact with the JIU on the subject**, but the suggestion that any questionnaire that the JIU might prepare should be sent to all associations was rejected. A plethora of possibly conflicting replies was not felt to be in the interests of the Federation. That notwithstanding, the subject should be taken seriously. Furthermore, the abuses of the past had been overcome thanks to changes in personnel policies. In reality, the United Nations was said to be 'shooting itself in the foot', if it placed still stricter limits on the use of retirees as it was blocking its own access to experienced people with institutional memory, unique skills and knowledge who could perform useful tasks. A balance of some kind had to be struck with the concerns of FICSA and the other staff federations about retirees impeding staff's career aspirations. Denis Beissel offered to provide the President an update he had prepared on the situation.

(d) Attendance at Council sessions

116. One association noted that of the Federation's total strength of 57 associations, only 27 were represented in person at the current meeting. That represented less than 50 per cent of the total membership. Although it was pointed out that the figure did not include 7 proxies,

the hope was still expressed that attendance would be greater at the Council session in Rome.

Closure of the session

117. Profuse thanks were paid to the host association for the kindness and generosity its members had displayed throughout the session. Thanks were also expressed to the participants for having contributed so positively and extensively to what had been a very rich and fruitful debate. A vote of thanks was extended to the Presiding Officer for having guided the debate in such an admirable and efficient manner.

118. The President paid particular thanks to Linda Saputelli and her colleagues for their unstinting efforts in their role and support as perfect hosts. He commended Jay Sundaresan and Lydia Ontal for having contributed so effectively to the smooth running of the session. He also thanked the Presiding Officer for her masterful guidance of the discussions and paid tribute to all associations for having participated in such an active manner. He wished everybody a safe journey home and *bon voyage*.

119. After thanking the Rapporteur, the Presiding Officer declared the session closed at 1.30 p.m. on 11 July 2013.

Appendices

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Appendix 1

List of Participants

| ASSOCIATION | PARTICIPANTS |
|-----------------------|---|
| AAFI-AFICS GENEVA | Odette Foudral** Katia Chestopalov Samuel Mbele-Mbong |
| AAFU-AFUS FRANCE | Georges Kutukdjian** Josiane Taillefer |
| AAFNU-N NIGER | Ari Toubo Ibrahim |
| AAFIB BRAZIL | Joao Carlos Alexim |
| AAFICS AUSTRALIA | Mary Johnson |
| AAFNU-BF BURKINA FASO | Pierre Adama Traore |
| AEFNUC CUBA | Ana Maria Gudz Robak** Asuncion Prats |
| AFICS ADDIS ABABA | Tedla Teshome |
| AFICS ARGENTINA | Antonio Pio** Marisa Manus, |
| AFICS CHILE | Mario La Fuente** Adriana Gomez |
| AFICS JAPAN | Momoyo Ise** Junko Sato |
| AFICS MOSCOW | Mikhail Gunar |

| | |
|---------------------|---|
| AFICS MYANMAR | U Hla Min Kyi Kyi Nyein |
| AFICS NETHERLANDS | Anton Kruidrink |
| AFICS NEW YORK | Linda Saputelli** Fernando Astete Denis Beissel Richard Nottidge Frederico Riesco |
| AFICS PHILIPPINES | Lydia Ontal |
| AFICS-M MAURITIUS | Michael Atchia |
| AFPNU MEXICO | Johannes Wortel |
| AFUNCS-NIGERIA | Edward Omotoso |
| AFUNPI BANGALORE | M. Seenappa** S.A. Janakiram |
| AFUNSOB BANGLADESH | AK Masood** M. Mozamel Haque Mah Jabeen Masood |
| ARICSA VIENNA | Jerry Barton** Gerhard Schramek |
| ASOPENUC COLOMBIA | Helene Hasselbalch |
| CAFICS/ACAFI CANADA | Arthur de Smit** Jean Bacon |
| FOA-Turin | Lynn Villacorta* |
| FFOA ROME | Alan Prien |
| IAFICS ISRAEL | Michael Suess |

President Emeritus
President Emeritus

Andres Castellanos
George Saddler

PRESIDENT

Roger Eggleston

SECRETARY

Jay Sundaresan

RAPPORTEUR

Peter Lillie

PROXIES:

AAFNU-BF BURKINA FASO *Proxy*
for AMAFINU-MALI

AAFICS AUSTRALIA *proxy for*
AFICS-NZ

AFICS CHILE
Proxy for APEFONU-Paraguay

AFICS MOSCOW *proxy for*
AFICS KIEV

FFOA ROME *Proxy for*
FOA-Turin and BAFUNCS-U.K

*Present only for Standing committee on Pension Issues

** Head of delegation

Appendix 2

Agenda for the 42nd council

1. Opening of the Session
2. Adoption of the Agenda and Work Programme
3. Election of the Presiding Officer and Rapporteur
4. Admission of New Members
5. Report of the President
6. Pension Issues
 - a. Report of the Standing Committee
 - b. UNJSPF Appeal Procedures - Note by AFICS Argentina
7. After-Service Health Insurance and Long-Term Care
8. Creation, within FAFICS, of a Caucus - Note by AFICS Mauritius
9. Membership - Notes by the President and AFICS Argentina
10. FAFICS Representation at Meetings
11. Administrative and Financial Questions
 - a. Report on “subsidies” - Note from the Bureau
 - b. Budget for 2014
 - c. Interim report on the management of the Budget in 2013
 - d. Report from the Auditors
 - e. Appointment of the Auditors for 2014
12. Election of FAFICS Officers
13. Appointment of FAFICS Representatives to the UN Pension Board 2014
14. Date and Venue of the 43rd Session of the FAFICS Council
15. Other business

Appendix 3

List of documents

Council pre-session documents (D-series)

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| Council 42/2013/D.1 | Provisional Agenda |
| Council 42/2013/D.1a | Work Programme and Annotations |
| Council 42/2013/D.5 | Report of the President |
| Council 42/2013/D.6 | Questions to the CEO of UNJSPF |
| Council 42/2013/D.6 Add1 | Response from the CEO of UNJSPF to the questions sent to him |
| Council 42/2013/D.6b | UNJSPF Appeal Procedures – Note, AFICS Argentina |
| Council 42/2013/D.8 | Creation within FAFICS of a Caucus – AFICS-M |
| Council 42/2013/D.8 Add1 | UN International Day of Older Persons |
| Council 42/2013/D.9a | Membership – Note by the President |
| Council 42/2013/D.9b | Membership – Note by AFICS Argentina |
| Council 42/2013/D.10 | FAFICS Representation at meetings |
| Council 42/2013/D.11a | Report on “Subsidies” |
| Council 42/2013/D.11b | Proposed Budget for 2014 |
| Council 42/2013/D.11b.i | Interim Rep. on the Management of the Budget 2013 |
| Council 42/2013/D.11c | Report of the Auditors |
| Council 42/2013/D.12 | Call for candidates for election to the offices of FAFICS |
| Council 42/2013/D.12 Add1 | Candidates nominated for Elections to the offices of the Federation |
| Council 42/2013/D.15 | Responses to Questionnaire |
| Council 42/2013/D.15a | Situation of the former UNJSPF participants from the former USSR, Ukrainian SSR and Byelorussian SSR |

In-session documents (Conference Room Papers (CRPs))

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| Council/2013/CRP.1 | List of Participants |
| Council/2013/CRP.2 | (cancelled) |
| Council/2013/CRP.3 | Report of the Standing Committee on Pension Issues |
| Council/2013/CRP.4 | Report of the Standing committee on After Service Health Insurance and long-term care |

Appendix 4

Report of the President

Introduction

This Report is being distributed in advance of the Council Session in order to respect the conclusion of the Working Group on Improving the Functioning of the FAFICS Council in 2011 for the “timely submission of well-prepared documentation”.

It is incomplete, to the extent that it will need to be supplemented at the Council itself with more personal comments in respect of appreciation for the many who support FAFICS and the FAFICS Council. There must also, sadly, be reference to those who are no longer with us.

To avoid duplication, issues, which will be dealt with in the Standing Committees, have largely not been referred to here.

1. Membership of the Federation

1.1 Traditionally the annual report of the President has begun by identifying retiree associations which are in the process of joining the Federation . This year will be no exception.

1.2 I am delighted to announce that 4 retiree associations are seeking admission to the Federation. They are located in:

Cyprus
Nepal
Niger
Togo

1.3 If admitted by the Council, the number of member-locations will have reached 56; this is an increase of 86% over the number of location members in 2003, ten years ago. Efforts are afoot further to encourage the development of retiree associations in all parts of the world. Bureau members are actively pursuing contacts in at least 10 locations in a bid to strengthen the spread of FAFICS membership. Clearly the need to further increase the penetration of the UN system retiree population in our activities remains a priority for the President, the Bureau and all those who participate in our work.

1.4 In bringing new retiree associations into the fold thanks are due to the passionate encouragement of Andres Castellanos and in particular this year to Anders Tholle and Pierre Traore whose untiring efforts have led to building associations in Cyprus, Niger and Togo.

1.5 There is much to be said about membership of the Federation, not least in the manner in which associations are denominated. They are not national associations; they are associations which represent UN system retiree populations living or associated with a given location. The Rules of Procedure which define the criteria for membership are clear on this point; “an association of former international civil servants....is established in a location...”and “its membership is open to all former officials of the United Nations system and their survivors” (Article 2.1 f and b). This means that the number of nationalities of the members of the Associations far exceeds the number of locations in which those associations are based. This

matter will be taken up in greater depth at the forthcoming Council; two background documents have been prepared for the discussion (D.9a and D.9b).

2. Relationship with the UNJSPF

2.1 I think it no exaggeration to confirm that the strength of the Federation continues to be recognized by the Pension Fund. The working relationships between FAFICS and the Fund are very strong and are a testament to the hard work that has gone on over the years into establishing such a positive situation.

2.2 In addition to participating fully in the sessions of the Pension Board and of the Standing Committee, FAFICS has also been represented - in the period under review - in the Working Group established by the 2012 Pension Board on the sustainability of the Fund and in the processes of selection for the Chief Executive Officer and the Deputy Chief Executive Officer. The FAFICS representatives played a very active part in the Working Group and other members of the Working Group noted the hard work done by the FAFICS team and especially the exceptional papers prepared by Gerhard Schramek. It is important to underscore that FAFICS participates on a completely equal footing in these bodies and speaks authoritatively on behalf of the beneficiaries. It is particularly heartening to see that FAFICS has been recognized in Board reports and elsewhere as “representing the retirees”

2.3 The Report of the Working Group on Sustainability will be discussed by the July session of the Board. We shall have the opportunity to reflect on the proposals being made by the Working Group in our Standing Committee meeting on 8 July.

2.4 The Bureau has developed a protocol for the treatment of individual requests from retirees. Most of these are dealt with by the local associations. Nevertheless, a number require intervention from the President or Secretary of the Federation. In dealing with such requests, we have benefitted from the swift and extremely sympathetic support of the staff of the UNJSPF secretariat both in New York and Geneva. We are most grateful for this.

3. The functioning of FAFICS

3.1 In terms of the functioning of FAFICS, it is good to see that the Bureau is coming of age as a part of the structure of the Federation. There was a meeting of the Bureau members in Geneva in January 2013 at which all the members were present. Included on the rather heavy agenda were discussions on the responsibilities of the Vice-Presidents, the issue of subsidies to Bureau members and others to attend FAFICS meetings, a discussion of membership and efforts to increase it, and a review of the procedures for FAFICS participation in meetings of other entities

3.2 The report of the Bureau meeting was circulated to associations in February.

3.3 Amongst other conclusions, the Bureau decided that the following functions should be attributed to Vice-Presidents:-

- Emergency and other solidarity funds - Josiane Taillefer
- Attracting new member Associations - Pierre Traore
- Contacting administrations to include information about retiree associations in the pack of information provided to staff members in advance of retirement - Katia Chestopalov
- The organization of pre-retirement seminars - Pierre Traore
- Liaison with entities in New York - Linda Saputelli

- Liaison with entities in Geneva - Katia Chestopalov
- Maintaining copies of letters distributed through the UNJSPF to beneficiaries in given countries and providing information thereon – Helene Hasselbalch
- Tips on managing a retiree association and in particular in maintaining relations with the host offices (most often UNDP in a given country) – Ahmed Hussein
- Management of the FAFICS Web content - Katia Chestopalov

3.4 Another functional change - though of a much more minor nature - is the introduction of a weekly “Skype” conference between the President, the Secretary, the Treasurer and the Vice-President responsible for Geneva matters. The technology usually works well and we have the opportunity to review ongoing FAFICS matters and discuss necessary follow-up.

4. “FAFICS MATTERS”

4.1 In October 2012, our e-newsletter “FAFICS MATTERS” was born; to date three issues have appeared thanks to support from Michael Atchia, Anders Tholle, and Jill Conway-Fell who is the coordinator of the Scandinavian branch of AAFI-AFICS. I am very grateful to them and to all those who have submitted material for the newsletter. It can only be as interesting as you make it. There will be a fourth edition to report on our Council session and the session of the Pension Board.

5. FAFICS international role

5.1 I have been giving quite some thought to the role FAFICS plays internationally. Clearly the main focus of our work relates to issues in the Pensions and Health Insurance areas. We are well represented in the Pension Board; increasingly retirees are also playing a role in the several committees which guide the work of the different Health Insurance Committees. There is more work to be done to make the voice of retirees heard equally in these different bodies; we shall be looking carefully at ways in which we can bring the attention of administrations to the need to ensure not just the participation of retirees in the Health Insurance Committees but also that such participation is on an equal footing where this does not already exist.

5.2 But there is of course our Statutory objective to “support and promote the purposes, principles and achievements of the United Nations system” (Article 2 of the FAFICS Statutes). Many associations have been active in supporting activities in different locations from Mauritius to Chile. AFICS New York has been remarkably active, for example in the celebration of United Nations Day as has AAFI-AFICS Geneva in celebrating the UN International Day of Older Persons.

5.3 The Bureau is getting to grips with the definition of just what this support means at the Federation level and I have invited the Emeriti to provide their wisdom to the process. Inter alia, we need to determine how best we can fulfil our role as a non-governmental organization in consultative status with UN ECOSOC. In this context Michael Atchia is developing a proposal for the creation of a group of former Executive Heads that will be discussed at the Council.

5.4 My feeling is that our efforts should be concentrated on an area of UN policy that particularly affects retirees. Hence I am keen that FAFICS should continue to be active in the development of a UN Convention on the Rights of Older Persons.

6. Other matters

6.1 The question of national taxation is one that excites and concerns Council participants in equal measure. The Bureau was seized with the matter and recalled that a small group had been established to discuss taxation issues informally at the time of the Geneva and Paris Councils. This group was led by Mary Johnson and was continuing to be in communication. Aware that member states were eager to increase income from whatever source and conscious of the arguments which had led the Federation to exclude the issue from the agendas of Council sessions, the Bureau nevertheless concluded that it was important to gather and maintain as much accurate information about the taxation of pensions everywhere and to liaise with the informal group. To this end, the Treasurer, Wolfgang Milzow has agreed to prepare this inventory.

Roger Eggleston
May 2013

Appendix 5

Presentation by the CEO/Secretary of the Pension Fund

1 In his presentation, Sergio Arvizu stressed that the Pension Fund was in a well-funded position, however surprising that might seem given the latest actuarial valuation. He also pointed to the volatility of the global environment and the maturity of the Fund. One decisive factor that had contributed to the actuarial deficit had been the abrupt introduction (as distinct from a more gradual inclusion) of the mortality tables in the actuarial calculations, the impact of which might well be offset by the actuarial benefits to be gained from the increase in the normal retirement age.

2. The objective long-term investment performance was still in line with expectations and all things being equal, the deficit in the year to come should be low. As for the cash flow, the principal of the Fund would not be utilised to cover the benefits gap until 2047. Even if the real rate of investment return were to be only 2 per cent, the principal would still not be utilised to cover the benefits gap before 2037.

3. As could be seen from the report of the Working Group on Sustainability, the focus was on: maintaining a real rate of investment return of 3.5 per cent; defining risk appetite and tolerance; establishing an assets and liabilities monitoring committee; and introducing changes in the early retirement provisions and reduction factors.

4. The size of the Fund could be judged from the 78 per cent growth in participation since 1998 and the 52 per cent growth in benefits in payment over the same period. Similarly, the ratio of participants to beneficiaries had shifted from 6.5:1 to 1.8:1. 661,000 documents were received and 58,000 certificates of entitlement sent out each year. That had led to an ever-growing demand for client services, a problem that was compounded by the growing complexity of the Fund's operations, which had been assessed as being 10 to 12 times more complex than most other pension funds.

5. The Pension Fund also faced a number of challenges as a result of changes in banking practices, economic, social and political upheaval, changes in legislation pertaining to non-traditional marriages and partnerships, changes in financial reporting, availability of technological improvements, catastrophic events, aberrations in relations between inflation and foreign exchange, volatile markets, economic conditions calling for increased efficiency and changes in demographic factors.

6. Sergio Arvizu pointed to a recent comparative study of state pension schemes in the United States. It had revealed that 35 states had reduced benefits and 25 states had increased employee contributions. Those figures bore no comparison with the performance of the Pension Fund.

7. He also described new initiatives that included a project designed to reduce significantly banking charges for some 1,200 beneficiaries in West and Central Africa by using the services of two regional clearing-houses. Furthermore, open audit recommendations had been reduced to 1, while the integrated pension adjustment system was being implemented on schedule and on budget. A more robust disclosure system was in place, as were internal controls. The routing of complex payment instructions had been streamlined and retirement seminars had been carried out to good effect.

8. The key items on the Pension Fund Secretariat's agenda that would be addressed at the upcoming session of the Pension Board were the actuarial assumptions for the upcoming evaluation, the investments of the Fund and certain administrative matters including the budget, as well as the selection of a new deputy CEO and the findings of the Working Group on Sustainability. The session would also focus on the increase in the normal age of retirement and small pensions.

9. Sergio Arvizu concluded on an up-beat note. The Pension Fund was well funded. It was a large complex operation and had reached maturity. It was working in a challenging and changing environment that called for adaptation to new circumstances. He was confident that the Pension Fund Secretariat would rise to the challenge.

10. Frank De Turrís described the operations of the Emergency Fund. The biennial reporting cycle made for better comparison of results. For example, the Fund had disbursed \$88,581 in 2012. It had made 238 disbursements in connection with the flooding in Thailand alone. He assured Council that tangible moves were being made to heighten the user-friendliness of the Emergency Fund.

11. In the question-and-answer session that followed on the presentation, the members of the Pension Fund Secretariat team fielded queries from the floor. In addition to the in-session questions, a list of questions had been submitted in writing to the CEO/Secretary of the Fund, the responses to which were reproduced in document Council/42/2013/D.6/Add.1.

12. In the course of the session it transpired that the queries fell into some ten different categories, most of which had also emerged in the course of Council's deliberations in the course of the week. Participants repeatedly thanked the Pension Fund for the support it had lent the associations and individual retirees by responding swiftly to enquiries and appeals for help. Especial thanks were expressed to the Legal Office and Client Services that intended to publish clear guidelines on guardianship on the Pension Fund website as well as in the annual letter of the CEO. The intention to issue a specific booklet focusing on the subject was highly appreciated.

General questions

13. The first question under the above heading related to the feasibility of introducing an annual 'bonus' for beneficiaries. The second question related to the complexity of the Fund that was also paying benefits to children, while the third question wondered whether beneficiaries could look forward to an elimination of the 0.5 per cent reduction in the first adjustment due after retirement.

14. In his reply, Sergio Arvizu said that the concept of a bonus aka a 'thirteenth month' was not unknown to him. However, its introduction would call for major changes in the principles governing the Fund and the plan design. He went on to point out that child benefits accounted for 12.8 per cent of all benefits. Similarly the priority to be attached to eliminating the 0.5 per cent reduction in the first adjustment due after retirement could only be discussed once the actuarial situation had improved.

Pre-retirement and in-retirement seminars

15. The first question under the above heading related to the feasibility of introducing retirement seminars and an outreach programme for far-flung regions. The second question also asked whether more retirement seminars could be held in venues serving a number of countries, while the third question pointed to the great demand for pre-retirement and in-retirement seminars that could not be met for want of funds. It was proposed that DVD/CDs of the presentations given at such meetings could be prepared and distributed - with FAFICS/AFICS lending support, especially assistance in translation into local languages.

16. In his reply, Sergio Arvizu reported that a thorough assessment of all services was essential. The Fund was even thinking of increasing the number of Pension Fund offices and establishing them in the African, Asian and Latin American regions that would doubtless help to improve outreach. In a supplementary remark Alan Blythe said that the current retirement seminars helped retirees to understand the procedures to be followed by surviving spouses in the event of a beneficiary's death; their success underscored the need to find ways and means of extending their coverage. In that regard, Sergi Arvizu said that the Fund would endeavour to reproduce on DVD/CDs the presentations in three languages – English, French and Spanish.

Annual letter of the CEO and other printed material mailed to beneficiaries

17. The first question under the above heading related to continuing the mailing of the annual letter and the varying impact that the promotional letters had had on membership growth. The second question was more in the nature of a plea that the Fund continue to mail the annual letter as ageing beneficiaries invariably did not have access to computers. The third question also pointed to reliance on postal services and asked whether the quarterly statements would indeed no longer be mailed on account of cost-cutting measures.

18. The annual letter was no longer printed by the United Nations, whose printing facilities had been disrupted by hurricane Sandy. The distribution of the certificates of entitlement had likewise been delayed by the hurricane, thus explaining why no questions had been raised on the number not returned to date. As for the quarterly statements, the Pension Fund Secretariat printed the statements, but relied heavily on the United Nations for further processing (folding and stuffing the forms into envelopes prior to mailing): an operation that was hampered by the inordinate backlog.

Emergency Fund

19. Participants raised a number of questions in conjunction with the Emergency Fund. The first question related to the length of time between the receipt of a request for assistance and the actual disbursement of funds. The second question related to the possibility of increasing the funds available or whether unused funds could be carried over. Several participants focused on the need to simplify procedures and improve the user-friendliness of the system. Another participant spoke of his perception of disbursements being heavily weighted in favour of developed countries despite developing countries being in a continual state of emergency.

20. Frank De Turrís explained that it was secretariat policy to respond to requests for assistance without delay; any subsequent delays were invariably due to the problems applicants had in securing the necessary documents. New measures were currently being introduced under the integrated pension adjustment system (IPAS), which, once introduced, would free up resources and make things easier. At present, disbursements under the Emergency Fund, which ranged from \$400 to \$4,000, were approaching the biennial budget amount of \$200,000 primarily on account of the relief accorded to the flood victims in Thailand; however, the Secretariat could not of its own accord increase the amount available to the Emergency Fund.

21. Frank De Turrís encouraged associations to write to him direct, should they face particular difficulties. He also pointed out that requests to the Emergency Fund did not need to be routed via the staff pension committees, but could be submitted direct to the Fund. Financial constraints, compounded by the introduction of IPAS, impinged on the Secretariat's capacity. Sergio Arvizu said that the introduction of the new IPAS system into an institution with a staff of 250 that dealt with very complex issues was very much akin to trying to change the tyres on a vehicle travelling at 60 m.p.h. Once completed, capacity would be freed up for other essential activities. The booklet on survivors' benefits summarised the requirements relating to the submission of documents needed by the Fund.

Marriage and death certificates

22. One participant spoke of the need to put on a human face when dealing with distressed surviving spouses and a question was raised about reducing the difficulties surrounding the provision of birth and marriage certificates at the time of a beneficiary's death. In that connection, one participant mentioned that the Registrar-General in India had informally agreed to death certificates bearing the name of the spouse and thus confirming validity of the married status.

23. Frank De Turrís stressed that if people had any doubts or problems relating to the certificates that had to be provided, the Pension Fund Secretariat should be contacted to see what certificates they had on file. At present, the Secretariat was working on some form of alternative attestation of marriage, but confirmation of the validity of the marriage was still a requirement. Similarly, in responding to a later query about what to do if people encountered difficulties of some urgency, for example, in relation to the Emergency Fund, Sergio Arvizu reiterated that they could write direct to the CEO.

Bank charges

24. One participant spoke of the enormity of bank charges. He wondered whether the Fund was taking any action in that respect as success would enable the local staff associations to point to the benefits that the Federation could instigate, thus helping to raise its profile.

25. Attention was drawn to the project designed to reduce significantly banking charges for some 1,200 beneficiaries in West and Central Africa by using the services of two regional clearing-houses. It was not known to what degree that would be replicable in other areas.

Non-traditional marriages and other legal matters

26. One participant asked about non-traditional marriages that were recognised in some 13 countries and, in part, in the United States. In respect of the latter country and other confederations, he wondered whether it was correct to assume that a non-traditional marriage recognised at the state level was deemed valid at the federal level.

27. Jaana Sareva replied that the assumption was not correct at the present point in time. However, the nature of non-traditional marriages and other forms of partnership were constantly evolving. In the United Nations context, the complexity of the matter was compounded by multinational marriages. At an earlier stage during the discussion, Sergio Arvizu had pointed to the legal problems surrounding the definition of a 'spouse'; the Pension Fund Secretariat dealt with non-traditional marriages and partnerships on an individual basis

Website

28. One participant raised the question whether the website could not provide more data on beneficiaries such as an indication of the survivor's benefit or the date of entry into the Fund.

29. In his reply, Paul Dooley said the proposal would be followed up. At the moment the focus was on improving the self-service aspects of the website, viz. tracking certificates of entitlement and calculation of benefits of survivors which was somewhat difficult to compute if the two-track system was involved.

Small pensions

30. Reference was made to the document on small pensions that was to be taken up at the Pension Board: a complicated interim report pending the final report on the issue that was to be presented the following year. The question was raised whether an increment in the small pension scales could be introduced as an interim measure to improve the situation. Reference was also made to the minimum pension for surviving divorced spouses and the possibility of increasing it to a benefit equal to three times the minimum surviving spouse's benefit under article 34(c). In that connection, it was asked whether the whole issue of Article 35 *bis* could be reintroduced at the upcoming session of the Board.

31. In his reply, Sergio Arvizu said he found the proposal relating to an increment in the current small pension scales a reasonable proposition. The issue of minimum benefits and small pensions would be addressed in full at the Pension Board session in 2014, at which session issues surrounding Article 35 *bis* could also be taken up.

Taxes

32. Attention was drawn to the fact that whereas lump-sum payments had been exempt from tax in France, that was no longer the case. Given the impact such a the levy would have on the decisions that future retirees intending to live in France would have to take, the question arose whether the Pension Fund Secretariat had access to the Office of Legal Affairs or the Office of the Secretary-General that could assist in securing a reply from the French authorities, which (who) had formally been approached on the subject by OLA more than a year ago.

33. In his reply, Sergio Arvizu confirmed that the Office of Legal Affairs (OLA) had written to the French authorities. The Pension Fund Secretariat was following the matter up with OLA and as soon as a response was obtained, FAFICS would be informed.

The Investments Committee and the proposed assets and liabilities monitoring committee

34. One participant raised a question about the relationship between the Investment Committee and the proposed assets and liabilities management committee and noted the lack of any reference to rating agencies in reports on the performance of the Investments Fund.

35. In his reply, Sergio Arvizu pointed to the tremendous volatility in the global financial markets. Assets and liabilities committees were a common feature in most large pension funds. Furthermore, an effective assets and liabilities management committee in dialogue with the Investments Committee and the Pension Fund would help to ensure stability. Given the complexity of the Fund's arrangements, the greater involvement of experts as distinct from Board members would contribute to ensuring that sights remained firmly fixed on maintaining the 3.5 per cent return on investments. He pointed out that a drop of 1 per cent in the rate of return would call for a five-fold increase in the contribution rate. As for comparative analysis, he pointed out that the unique and highly complex nature of the Fund defied comparison and peer reviews were hence infeasible.

Appendix 6

Report of the FAFICS Standing Committee on Pension Issues

1. The Chair, Gerhard Schramek, opened the meeting at 11.00 a.m. and drew attention to the number of issues that the Committee would have to take up in the course of its debate.

Adoption of the Agenda

2. The agenda (document SCPI/2013/DOC/1/Rev.1) was adopted with two additional items to be taken up under other pension matters: the Pension Board documents on the increase in the mandatory age of retirement (R.31) and the report of the actuaries (R.6).

Review of the issues on the agenda of the 60th session of the Pension Board

a) Report of the Working Group on Sustainability

3. The Chair of the Committee provided a summary description of the work of the Working Group on Sustainability, in which FAFICS had played a prominent role by providing no fewer than five working papers (document SCPI/2013/DOC/2). The Pension Board had established the Working Group in the light of the 1.87 per cent deficit. It had entrusted the Working Group with the task of considering possible measures to ensure the Fund's long-term sustainability. The two basic recommendations of the Working Group had been to: (i) increase the early retirement age and adjust the associated reduction factors; and (ii) set up an assets and liabilities monitoring committee. The increase in the early retirement age would offer actuarial relief of 1.16 per cent, while the establishment of the monitoring committee would contribute to the development of a clearer policy framework with regard to investments (the single-most important factor affecting the long-term sustainability of the Fund) and risk framework that, in the words of the FAFICS President, were at the very hub of the deficit issue. It was stressed that the monitoring committee would not interfere in day-to-day investment operations, but would focus on contributing to the development of policies.

4. Early retirement was recognised to be a form of subsidy at a time when cost-neutral solutions were being sought. However, any increase in the normal retirement age would have to be matched by increase in the age of early retirement and a corresponding adjustment of the reduction factors. The Working Group proposals relating to the age of early retirement had ranged from the majority being in favour of not changing the age of retirement and FAFICS arguing that the principle of a five-year difference between normal and early retirement be maintained. In the final analysis the figure of 58 was reached by consensus. Similarly, opinions varied greatly as to the reduction factors and, as could be seen in the tables in document SCPI/2013/DOC/2, the variation could be as great as \$600 million depending on the reduction rate chosen.

5. The FAFICS proposal that an assets and liabilities monitoring committee be set up had met with a favourable reception on the part of three parties in the Working Group - with a somewhat less favourable attitude on the part of participants. With acceptance of FAFICS as the fourth party to the group, a truly quadripartite body would be established and the Federation's profile raised.

6. Accumulation rates had been taken up in the deliberations of the Working Group which had concluded "that accumulation rates were an issue that could be looked into as future

economy measures in case of a sustained worsening of the actuarial deficit, and agreed that the current actuarial deficit did not warrant a change in the accumulation rates for new participants. As a general principle, the Working Group members agreed that the accumulation rate should be flat for each year of contributory service.”

7. Whereas FAFICS could look back on having secured a consistent improvement in the surviving spouse’s benefits over the years, it was clear that were that benefit to be made a cost and were future participants to be asked to bear the actuarial costs associated with providing such a benefit, it would be a socially retrograde step. Furthermore, although it could be argued that such a step would yield significant actuarial savings, the Working Group felt that a recommendation of that kind would be unwarranted unless the actuarial deficit worsened on a sustained basis.

8. The Working Group had briefly discussed Article 21 (Participation), but felt that it did not fall within its sustainability mandate. The Chair also reported that the Working Group members had shown sympathy for the needs of the participants who served less than five years, they had none the less felt that it was difficult to justify discussing enhancing withdrawal settlements for short-term staff under the sustainability mandate. Moreover, FAFICS had been adamant in its opposition to the concept of a defined contribution plan, all the more so as the Working Group on Plan Design had reconfirmed three years previous the need to maintain the defined benefit nature of the Fund as a basic principle. Furthermore, at that time the Consulting Actuary had cautioned against the serious impact that such a plan would have in terms of losing future contributions to the Fund (‘a disaster’).

9. In closing, the Chair sought the endorsement on the two recommendations brought forward by the Working Group on Sustainability relating to early retirement and the establishment of an assets and liabilities monitoring committee.

10. In the ensuing discussion, fulsome praise was bestowed upon the documents that FAFICS had prepared for both the Working Group on Sustainability and the current meeting of the Committee.

11. It emerged in the course of the discussion that the proposal to increase the early retirement age to 58 was a compromise proposal. For its part, FAFICS had held out for 60, thus maintaining the five-year difference between early and normal retirement, whereas all the other parties in the Group had urged that it be kept at 55. It was an occasion where so-called ‘human resource considerations’ overruled actuarial considerations. Given that longevity varied greatly across the globe, humanitarian considerations might have been raised that argued in favour of maintaining the current early retirement age. At the same time, it was pointed out that if an organisation wanted to encourage staff to leave early, it could provide appropriate incentives. While sympathising with consensus reached, the overriding interest was to guard against any increase in the actuarial deficit, which if reduced to zero could facilitate the achievement of other objectives that the Federation had set itself.

12. Even though participants’ representatives were currently considering the possibility of modifying the agreement reached on the reduction rates, the Federation should stand firm on the new reduction factors proposed. The general tenor of the discussion was that the Committee should support the consensus reached in the Working Group on Sustainability.

13. It was decided that the Committee should recommend to Council that it endorse the recommendations of the Working Group pertaining to the adoption of early retirement factors for new participants (joining on or after 1 January 2014 with normal retirement age of 65 years and an early retirement age of 58 years) as follows:

- For participants with less than 25 years of contributory service: 6 per cent for each year below age 65;
- For participants with 25 or more years of contributory service: 6 per cent for each year below age 60, and 4 per cent for each year from age 60 to 64;
- The current 1 per cent reduction factor for participants with 30 or more years of contributory service would no longer be available.

14. In discussing the assets and liabilities monitoring committee, questions were raised about its functions. It was stressed that it would improve communications between the Pension Fund's management and the Pension Board on investment policy and strategy and enable the Fund to monitor more effectively the balance of assets and liabilities. On no account would it enter into day-to-day operations, but would contribute to greater transparency and risk reduction. Whereas it was argued that it would be less costly to have an ad-hoc committee, it was countered that the minimisation of risks and hence the savings obtained through the establishment of the monitoring committee could well outweigh the costs of the committee itself. Furthermore, FAFICS had always insisted on cautious investment, hence the opportunity to contribute its expertise should not be missed. Although some doubts were expressed about the need for or the effectiveness of such a committee and the usefulness of 'throwing a committee at a committee' in attempt to solve a problem, it was recalled that IFAD had set up a committee of the same kind some twenty years previous, which had yielded tangible benefits. Attention was also drawn to the fact that provision had been made for a review of the committee after three years. General support for the proposal was expressed.

15. It was decided that the Committee should recommend to Council that it endorse the recommendations of the Working Group pertaining to the establishment of an assets and liabilities monitoring committee.

b) Small pensions

16. In introducing the document (document SCPI/2013/DOC/3), the Chair paid tribute to Andres Castellanos who had pursued the issue doggedly over the years. With small pension adjustment provisions that had not seen any change since 1995 and which were fraught with anomalies, it was essential that steps be taken to provide a minimum level of benefits that took due account of local currency issues and length of service, as well as streamline and simplify those provisions, while reducing any overlap.

17. The Pension Fund Secretariat had presented one sample alternative designed to simplify the small benefit adjustment by enhancing the minimum benefit under Article 28 and correct current inequities that had certain shortcomings in terms of length of service limitations and caps set. For its part, FAFICS had developed two options. Option 1 proposed extending the length of contributory service to 20 years and increasing the adjustment factor from 3 to 6 per cent up to a FAR of \$10,000, while retaining the 3 per cent factor for FAR up to \$20,057. Option 2 proposed establishing an enhanced Article 28 minimum benefit that not only yielded reasonable small pension adjustments, but also met the goal of simplifying the calculation of benefits.

18. In the ensuing discussion, general support was expressed for the involvement of FAFICS in the process. In view of the fact that that the paper being presented to the Pension Board was designed to elicit comment and guidance from the Pension Board, FAFICS should comment on the alternative put forward by the Pension Fund Secretariat and offer its two options, thus securing a role for the Federation in determining the best outcome.

19. It was noted with satisfaction that the Pension Fund Secretariat had stated that the enhanced minimum benefits/small pensions under Article 28 should be regularly adjusted in line with the US cost-of-living increases. Furthermore, the adjustment of small pensions should be included in the local currency track benefit

20. A number of member associations reported on the plight of people in their countries who were receiving small pensions. In India, for example, the lowest government pensions were ten times higher than the lowest UN pensions. It was also suggested that perhaps an interim adjustment could be made and it should established whether the provisions would apply to national officers.

21. The Pension Fund Secretariat had also stated it did not have complete records by grade of those beneficiaries in receipt of small pensions. It was thus suggested that the CEO be asked to elaborate on the reasons for that situation.

22. It was decided that the Committee should recommend to Council that FAFICS comment on the pros and cons of the alternative put forward by the Pension Fund Secretariat and offer its two options at the upcoming session of the Pension Board. Furthermore, it should recommend to Council that FAFICS endorse the continued monitoring of COLD factors for General Service staff.

c) Application of paragraph 26 of the Pension Adjustment System

23. In introducing the paper (document SCPI/2013/DOC/4), the Chair listed those countries where the local currency track was currently suspended. He also pointed that in no instance had a suspension ever been lifted and countries reinstated in the two-track system. The problem hinged on determining what actually constituted 'aberrant results' resulting from the application of the local currency track. The Pension Fund had established a two-track advisory committee that was currently determining a systematic review process for determining which countries could be considered aberrant economically under paragraph 26.

24. That step was to be welcomed as it might help to avert developments such as those that had befallen Kenya like a bolt out of the blue when retirees saw their pensions drop by as much as 30 per cent. Furthermore, the Chair posited that matters could be improved, were the concept of a freeze as distinct from suspension to be introduced. The Pension Fund might find it easier to lift a freeze than reinstate the local currency track after full suspension of the two-track system. Furthermore, FAFICS would be better advised to propose a time-limited freeze. Matters could also be improved, were more effective and clearer communication on suspension or reinstatement of the local currency track to be established with all parties concerned. Those improved communication procedures should include the local AFICS or, in those countries with no local AFICS, with FAFICS.

25. In the ensuing discussion, it was pointed out that the two-track advisory committee was an internal committee. Furthermore, it was hoped that any review of the ratio of the value of the local currency track benefits to the US dollar track would not develop in to an assessment of the two-track system per se.

26. **In general, the Committee was in favour of supporting the monitoring system, the proviso being that the two-track advisory committee consider the freeze option, albeit with a time limit, and greater attention be given to establishing improved communication procedures.**

27. The Committee went on to consider the application of paragraph 26 in Kenya, Myanmar and Argentina (document SCPI/2013/DOC/5).

(i) Kenya

28. At the request of AFICS Kenya and FAFICS, the CEO of the Pension Fund and a senior staff member of the Pension Fund Secretariat had visited Kenya in November 2012 to meet members of AFICS Kenya. According to the President of AFICS Kenya, a vigorous discussion had been held on the suspension of the local track in Kenya. Many speakers expressed their concern and frustration at the reduction by over 30% of their pensions with effect from 1 January 2012. The CEO explained the reasons for the suspension of the local track in Kenya. However, although the Pension Fund recognised that both inflation rate and exchange rates in Kenya had stabilised, it was not in a position to reintroduce the local track for want of a firm indication that the economy had indeed stabilised on a lasting basis.

(ii) Myanmar

29. A similar situation obtained in Myanmar. All retirees and beneficiaries resident in Myanmar were receiving their benefits based on the US dollar track benefit and receiving cost-of-living adjustments in accordance with the changes in the US CPI. The Secretariat had confirmed that the financial system in Myanmar was stabilising and the UN was publishing the country's CPI in its Monthly Statistical Bulletin. However, just as the CEO did not consider suspension of the local currency track benefit until significant observation and analysis had been carried out on all financial considerations of that country for a long period of time, reinstatement of a local currency track benefit could not be considered until a similar comprehensive analysis had been completed over a significant period of time.

30. In a meeting in New York with members of the Pension Fund Secretariat, representatives of AFICS-Myanmar had been told that the latter process could be very lengthy. In practice, that could mean that the country would not return to the two-track system for the coming ten years.

(iii) Argentina

31. Two retirees in Argentina had lodged an appeal before the United Nations Appeals Tribunal against the UNJSPF Standing Committee and its reaffirmation of the decision taken by the CEO not to suspend the application of the local track in Argentina. In a PowerPoint presentation, Dr. Pio described how CPI increases in Argentina had been three times higher than those officially reported. In its judgement in favour of the appellants the Tribunal ruled that the issue be reconsidered by the UNJSPF Standing Committee. It would be unlikely to do so in the course of the current year's session and the matter would be taken up by the UNJSPB Standing Committee during its session in July 2014. Given the legal process involved, the Council should merely take note and await the response of the Pension Board.

(d) Emergency Fund

32. In introducing the document (document SCPI/2013/DOC/6), the FAFICS President spoke of a sea change in the Pension Fund Secretariat's attitude towards the Emergency Fund; it had become far less bureaucratic. That was borne out by Mary Johnson who pointed out that based on the information in the interim report prepared by the Pension Fund Secretariat, the most successful applications came from Europe and North America, thus underscoring the fact that presentation and articulation were all-decisive factors. Not only was there a need for simplification of procedures, but the convoluted responses of the Pension Fund Secretariat were often off-putting.

33. That notwithstanding, the interim report did reflect attempts to improve matters and achieve a certain measure of user-friendliness. The Secretariat had proven most responsive to natural disasters, which could be deemed 'real' emergencies, and had involved local associations in their response. It was thus to be commended for having started to respond to earlier requests made by FAFICS.

34. In the ensuing discussion it was reported that Emergency Fund suffered from a bad image in India. The discernible improvement in the Pension Fund Secretariat's awareness of its own Emergency Fund was to be welcomed. However, members in plight had to be helped, and to that end presentations should be given on Emergency Fund application procedures. Pre-retirement seminars might offer a good opportunity for such presentations.

35. In taking note of the document, it was decided that the Committee should recommend to Council that it commend the Secretariat on progress to date, but stress that there be room for improvement and greater support, while opportunities offered by pre- and in-retirement seminars for familiarising people with the Emergency Fund procedures should be seized.

Increased longevity of UN retirees – some implications and issues

36. In introducing the document (document SCPI/2013/DOC/7), Mary Johnson pointed out that ageing and longevity had emerged in a variety of guises throughout the discussions in the present Council.

37. Of the current 65,387 beneficiaries of the Fund, the longevity tables showed how many were expected to be over 85 years of age. It was at that age that people tended to lose their capacity for independent living and self-management; much higher numbers entered aged care facilities and delegated their financial and administrative arrangements to others. Practices and procedures in the UNJSPF should take into account the diminished autonomy of increasing numbers of beneficiaries. The current system of certificates of entitlement might well need re-thinking both as a process and in terms of technology. There would be increased numbers of beneficiaries no longer capable of signing and returning their certificates annually or who would forget to tell the Fund of a permanent change of address. The Fund would need to track down the missing addresses and deal with an increase in the opportunity for fraud. She suggested there should be a dedicated unit in the Pension Fund for communicating with the very old.

38. In view of the extensive experience that local associations had of necessity gained in dealing with beneficiaries of advanced age, it was perhaps time to ask what support the UN Pension Fund should provide to FAFICS associations to help them give improved protection to the oldest retirees. A more formal recognition of FAFICS associations would be helpful, which might make it possible for the Pension Fund to provide information it currently withheld, such as the list of retirees resident in a country.

39. In the ensuing discussion, instances of the care that member associations, particularly the smaller associations, provided for their members – often with the support of UNDO offices - were described in some detail: Myanmar, Cuba, India, Bangladesh, Argentina and Brazil being cases in point. The problems that larger associations faced when trying to help members who were no longer able to fend for themselves, yet insisted on living in complete isolation were also described. On a related matter, it was pointed out that retirees could file in advance with the Pension Fund Secretariat all the documents to be submitted at the time of a beneficiary's death, thus reducing the burden on their surviving spouses.

40. It was not merely a pension issue. It was something far greater and more complex that was far too large to conclude at the current session. It would involve organizing seminars for retirees and their spouses on steps to be taken in the event of death and having spouses attend briefing sessions on the forms and procedures to be completed upon retirement. Thought could also be given to organizing seminars on health and better life-styles. The scope for new ideas was unlimited.

41. In the ultimate analysis, it was obvious that smaller associations reached out to many more beneficiaries than their larger counterparts. It was equally obvious that the Pension Fund Secretariat tended to reply more rapidly to enquiries from retiree associations than from individual retirees.

42. In conclusion and at the suggestion of Mary Johnson, **it was decided that the Committee should recommend to Council that FAFICS should enter into a discussion with both its membership and the UN Pension Fund Secretariat on: (a) the implications of having an increasing number of beneficiaries of advanced age in the UNJSPF; and (b) the capacity of the UNJSPF to maintain an appropriate level of service to all its beneficiaries – especially the oldest among them.**

Other pension matters

a) 2013 survey of UN pensioners in the Philippines

43. Lydia Ontal introduced the survey (document SCPI/2013/DOC/8) that had focused on the main concerns of pensioners in the Philippines in relation to their pensions, after-service health insurance and the risks of living in areas prone to disaster. She pointed to the correlation between lowest pension levels and highest health-care expenditures. The survey had provided insight into what could be done to improve the well-being of UN retirees, especially those in receipt of small pensions. The Committee concluded that the survey could serve as a good example to be emulated by other member associations.

b) Pension Board documents on the increase in the mandatory age of retirement (R.31) and the report of the actuaries (R.6)

44. It was pointed out that document R.31 before the Pension Board did not address the increase in the mandatory age of retirement for current staff. The implication of increasing the mandatory age of retirement for current staff should clearly be reviewed. In document R.6, a section on page 7 recommended changes to be introduced prior to undertaking the upcoming actuarial evaluation, such as taking account of the mortality and longevity tables. The Committee agreed that FAFICS should support those recommendations. Member associations should encourage organisations to allow current staff to work up until the age of 65.

c) Tax issue

45. Attention was drawn to the fact that whereas tax had not been levied in the past on lump-sum payments to retirees resident in France, that was no longer the case. The Office of Legal Affairs had sought a response of the French authorities; however, a reply was still pending.

d) Topics to be taken up at the Council session in 2014

46. AFICS-New York suggested that a review be made of feasibility of establishing trigger points for the recalculation of certain benefits. The association was asked to provide a preliminary list of those trigger points for consideration.

Appendix 7

Report of the Standing Committee on After-Service Health Insurance and Long-term Care

1. The Chair, Linda Saputelli, opened the meeting. The agenda (SC/ASHIL/2013/DOC/1) was adopted with the addition of an item 5 “Other matters”

Update on the status of the Report of the Secretary-General in response to UN General Assembly resolution 64/241

2. The President, Roger Eggleston, reported on his discussions with those responsible for preparing the Report of the Secretary-General which was about to be signed off for presentation to the General Assembly’s 68th session beginning in September 2013.
3. He recalled the concern that had been expressed by FAFICS about the text of resolution 64/241 and the potential threat it appeared to pose to the future of after service health care provisions.
4. However, he also noted that, since the resolution had been passed, there had been a number of developments in respect of the issues raised therein. The submission of the document had been delayed from the 2012 to the 2013 Session of the General Assembly and the Office of Legal Counsel (OLA) of the United Nations had confirmed that the provision of After-Service Health Care had to be considered an acquired right.
5. The resolution had also drawn attention to the need to manage “after-service health insurance liabilities” within the context of the introduction of International Public Service Accounting Standards by the United Nations system . To that end, it was understood that the Secretary-General’s Report would propose that those liabilities be introduced into the UN Budget for the 20 years starting in 2016.
6. Those responsible for the preparation of the Report had also concluded that its focus should be the situation prevailing in the insurances of the United Nations Secretariat in New York.
7. **It was important to maintain very careful monitoring of the evolution of the situation and of the discussion of the matter in the Fifth Committee of the 68th UN General Assembly. That would be undertaken by the Chairperson of the Standing Committee and her colleagues in AFICS – New York. She would provide copies of the Secretary-General’s Report to all member associations as soon as it became available . She would also keep FAFICS members abreast of any significant developments in the course of discussion of the matter in the Fifth Committee.**

Discussion paper by AAFIB Brazil

8. The Representative of AAFIB, Brazil, Joao Alexim, introduced the discussion paper which invited the Standing Committee (a) to discuss the establishment of basic limits across the different UN System Health Insurance Plans. His main concern was for the provision of adequate coverage for hospitalization and (b) to reconsider the situation of

those who had “lost the moment” to be included in the respective health insurances of their Organizations i.e. that they had missed the deadline for application for after service health insurance.

9. Members of the Standing Committee recalled that FAFICS had developed a comprehensive data-base which gave details of the variations in the insurance provisions of the several health insurance plans. **The data-base would be provided to AAFIB with an invitation to request any clarifications about the information provided therein.**
10. If individual issues about the coverage of hospitalization under given Organization Health Plans was of particular concern, **representatives of associations where Organizations were headquartered (AAFU-AFUS for UNESCO, AAFI AFICS for the UNOG-WMO UNSMIS, WHO and the ILO-ITU, as well as other Geneva-based insurance plans, FFOA for the insurances of the Rome-based organizations etc.) offered to open discussions with the retiree representatives on those Health Insurance Committees in order to explore the problem more fully.**
11. The question of deadlines was normally taken care of by the Organizations’ administrations, which would first have to determine whether the failure to meet that deadline was the result of a failing on the part of the Administration itself. There were instances where such requests had been successfully entertained. If, however, the missed deadline was attributable to the retiree’s fault, the Organizations would not normally allow renewed participation in the health insurance programme in the interests of fairness to all those participating in the schemes.

Update on the application of the Medicare B Coverage

12. Since the introduction of support from the United Nations New York for participation of retirees in the US Medicare B Programme through the reimbursement of premia, it had been possible to determine the savings that had accrued to the two main insurance programmes; these were US \$11.6 million in respect of the Aetna Life Insurance and US \$ 5.8 million in respect of the Blue-Cross/Blue Shield insurance.
13. These results had an additional impact on the discussion of funding after service health care which would take place at the 68th UN General Assembly (see paras 2 to 7 above)

Other matters

14. Members of the Standing Committee exchanged information on: (a) the ability of Organizations to get 3-year fixed premia from private insurance providers - none were reported except UNIDO where a three-year provision was provided for the first three years of the newly negotiated agreement; (b) any changes in the 10-year vesting period in the health insurances as a result of the forthcoming change in the retirement age – none was reported; (c) the provision of coverage by the private insurers of after-service health care in countries other than the base country of the insurance; normally it appeared the insurers applied limits to reimbursements which were roughly similar to those of the home country; and (d) the introduction of mandatory long-term care insurance for staff and future retirees of UNIDO, Vienna. **In this context the representative of ARICSA requested that a review of the provision of long-term care be included in the agenda of the Standing Committee in 2014. It was so agreed** though it was recognised that the high cost of health care made the introduction of this benefit unlikely in the United States and further that the outcome of the Secretary-General's report on ASHI was germane and could affect the ability of Organizations to increase expenditures.

15. AAFU-AFUS sought support from the Standing Committee for the creation of a working group of associations associated with the Organizations' self-insurance schemes (UNESCO, WHO, ILO-ITU, and UNSMIS-Geneva). The working group would be tasked with reviewing what actions, if any, those Organizations were taking to meet the impact of the fact that there were increasingly more retirees than active participants in the different insurance schemes. **The Standing Committee supported the creation of the working group and invited AAFU-AFUS to go ahead.**

Appendix 8

Approved Budget for the year 2014

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Introduction

1. In accordance with article 5.9 of the Rules of procedure stipulating that budget proposals shall be sent to member associations at least three months prior to the annual Council session, the proposed budget for 2014 is submitted in the present document.

2. The Council, at its 37th session in 2008, decided that budget proposals should be balanced and that the rate of contributions should be adjusted to cover expenditures in order to avoid future deficits. At its 41st session in 2013, the Council decided to consider an increase in the current contribution rate of USD 1.35 at its 42nd session. The Council requested the Secretariat to prepare a budget proposal based on various scenarios for the rate, including the application of an annual flat rate for all associations, and criteria for financially supporting the participation of members in Bureau and other meetings (“subsidies”).

3. The FAFICS Bureau, at its midterm meeting held in Geneva in January 2013, discussed in depth the subsidies’ issue.

The Bureau drew a distinction between FAFICS events that member associations wished or decided to attend (e.g. the Council sessions) and those which individual association members were elected or appointed to participate in (e.g. the Bureau and the Pension Board). The Bureau considered that only the latter should be supported by the FAFICS budget. The Bureau also concluded that the most appropriate way would be to offer a flat rate to all Vice-presidents based on a three-tier scale. (A document outlining the Bureau’s proposals will be before the Council.)

Budget overview

4. The Secretary and the Treasurer have prepared this budget proposal for 2014 in line with the above. The proposal contains six scenarios for the contribution rate:

- A. on the basis of a contribution rate of USD 1.35 per member;
- B. on the basis of a contribution rate of USD 1.50 per member
- C. on the basis of a contribution rate of USD 1.55 per member;
- D. by applying an additional annual flat rate of USD 50 per association to scenario A;
- E. by applying an additional annual flat rate of USD 50 per association to scenario B;
- F. by applying an additional annual flat rate of USD 50 per association to scenario C.

Income estimates for 2014

| Income item | Scenario A | Scenario B Approved by the 42 nd council | Scenario C | Scenario D | Scenario E | Scenario F |
|--|------------|---|------------|------------|------------|------------|
| Member contributions (18,000 X USD 1.35) | 24,300 | | | 24,300 | | |
| Member contributions (18,000 X USD 1.50) | | 27,000 | | | 27,000 | |
| Member contributions (18,000 X USD 1.55) | | | 27,900 | | | 27,900 |
| Flat rate USD 50.00 for 56 Associations | | | | 2,800 | 2,800 | 2,800 |
| Interest income | 300 | 300 | 300 | 300 | 300 | 300 |
| Total estimated income | 24,600 | 27,300 | 28,200 | 27,400 | 30,100 | 31,000 |

Note: Scenario B was approved, and will form the basis of calculations for the year 2014 onwards.

Observations

5. Membership contributions

The estimate of contributions by member Associations is based on membership data as at 1 January 2013, as declared by the Associations. Some of the membership data relate to previous years. The income is calculated using an estimate of total membership of 18,000.

6. Bank interest

The estimate for interest earnings in 2013 is maintained at USD 300. This reflects historically low interest rates that are not expected to rise soon, given the statements made by the U.S. Federal Reserve.

Expenditure estimates for 2014

| Expenditure item | Scenario A | <u>Scenario B</u> | Scenario C | Scenario D | Scenario E | Scenario F |
|-----------------------------|------------|-------------------|------------|------------|------------|------------|
| Travel | 8,000 | 8,000 | 8,000 | 8,000 | 9,200 | 9,200 |
| Participation in meetings | 11,200 | 11,200 | 11,200 | 11,200 | 12,400 | 12,400 |
| Representation | 800 | 3,500 | 4,400 | 3,600 | 4,800 | 4,800 |
| Hospitality | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Secretarial assistance | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Equipment | - | - | - | - | - | - |
| Office supplies | 600 | 600 | 600 | 600 | 600 | 600 |
| Bank charges | 300 | 300 | 300 | 300 | 300 | 300 |
| Communications | 100 | 100 | 100 | 100 | 100 | 100 |
| Contributions | 600 | 600 | 600 | 600 | 600 | 600 |
| Total estimated expenditure | 24,600 | 27,300 | 28,200 | 27,400 | 30,100 | 31,000 |

Note: Scenario B approved by 42nd council

Observations

7. The former budget line “Travel expenses” has been split into three lines, “Travel”, “Participation in meetings”, and “Representation” in order to increase transparency and clarity of the proposal for this major expenditure item.

8. Travel

This budget line now covers the travel and partial daily subsistence allowance of the President, the Secretary and, if necessary, the Treasurer attending the 43rd session of the FAFICS Council as well as the 2014 mid-term meeting of the Bureau. It is assumed that in 2014 the Council will again be held at the same location as the session of the Pension Board. Scenario E provides fully for the additional cost (USD 1,200) of a mid-term Bureau meeting **outside** Geneva.

9. Participation in meetings

USD 6,400 are budgeted to support Vice-presidents attending the mid-term Bureau meeting, and another USD 4,800 for those FAFICS representatives attending the Pension Board whose travel is not paid by the Pension Fund. Scenario E provides fully for the additional cost (USD 1,200) of a mid-term Bureau meeting **outside** Geneva.

10. Representation

This new budget line meets the cost of participation in advocacy activities of importance to FAFICS, such as with the UN 5th Committee, ICSC, FICSA, and meetings of regional associations. Such cost could be incurred by the President or anyone else on his/her behalf.

11. Hospitality

This item will cover the traditional annual lunch offered by FAFICS to the CEO of the UNJSPF and his senior staff as well as some hospitality extended to the FAFICS auditors. The budget provides for a dinner offered to Bureau members at the mid-term session. It may also cover some hospitality offered by the President.

12. Secretarial assistance

This item is intended to cover temporary assistance during the 2014 Council session.

13. Equipment

Purchase of equipment is not planned for 2014.

14. Office supplies

This item covers the cost of stationary.

15. Bank Charges and Communications

The amounts are budgeted in line with current expenditure figures.

16. Contributions

The budget covers FAFICS contributions to CoNGO and FICSA.

Annex 1: COMPARATIVE TABLE SHOWING THE HISTORY OF BUDGETS AND EXPENDITUR FOR THE YEARS 2007 TO 2012.

| | Year 2007 New York/ 36th | Year 2008 Rome/ 37th | Year 2009 Vienna/ 38th | Year 2010 London/ 39th | Year 2011 Geneva/ 40th | Year 2012 Paris / 41 st | | | | | | |
|--|--------------------------------|-----------------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------------|------------------------------|--|-------------------------------|---|-------------------------------|--|
| | Budget \$ 1.21 | Expenses \$ 1.12 | Budget \$ 1.12 | Expenses \$ 1.194 | Budget \$ 1.194 | Expenses \$ 1.03 | Budget \$ 1.03 | Expenses \$ 0.968 | Budget \$ 0.968 | Expenses \$ 0.9121 | Budget \$ 0.968 | Expenses \$ 0.926 |
| Travel to Council session & Pension Board/St.Cttee | 13,500 | 13,255.36 3,000.00 | 14,000 | 15,169.04 2,415.11 | 18,000 | 17,571.44 1,602.00 4,500.00 | 19,500 | 13,540.93 3,000.00 2,000.00 <u>3,840.00</u> | 19,500 | 6,623.78 1,650.00 2,000.00 <u>975.77</u> | 20,700 | 12,440.30 6,340.86 8,500.00 <u>795.29</u> |
| Other travels & Subsidies | | <u>16,255.36</u> | | <u>17,584.15</u> | | <u>23,673.44</u> | | <u>22,380.93</u> | | <u>11,249.55</u> | | <u>28,076.45</u> |
| Total | | | | | | | | | | | | |
| Hospitality for CEO/ Others | 700 | 431.23 | 850 | 73.78 | 850 | 348.15 | 600 | 266.40 | 600 | 988.66 | 550 | 461.07 <u>455.39</u> 916.46 |
| Secretarial assistance & Conference fees | 4,000 | 4,000.00 | 2,500 | 0. - | 3,000 | 1,110.00 | 2,000 | 3,241.33 | 2,000 | 2,878.66 | 2,000 | 2,430.24 |
| Contributions: CoNGO | 1,100 | 300.00 | 1,000 | 300.00 | 1,000 | 300.00 | 600 | 300.00 | 600 | 300.00 | 600 | 300.00 |
| FICSA | | 535.71 | | 608.38 | | 582.52 | | 1/ --- | | 2/ 341.63 | | 323.97 |
| NGO's Cttee on Human Rights | | 89.29 <u>925.00</u> | | 83.75 <u>992.13</u> | | 97.02 <u>979.61</u> | | --- | | --- | | --- |
| Equipment | 2,000 | 2,944.68 | 2,000 | 0. - | 1,000 | 861.55 | Nil | Nil | Nil | Nil | Nil | nil |
| Office supplies | 300 | 474.84 | 350 | 641.64 | 500 | 500.70 | 500 | 198.86 | 500 | 612.51 | 650 | 426.07 |
| Bank charges | 300 | 117.21 | 200 | 246.64 | 150 | 155.41 | 100 | 304.13 | 100 | 183.58 | 200 | 279.08 |
| Communications | 200 | 0. - | 200 | 0. - | 200 | 0. - | 200 | 85.33 | 200 | -- | 100 | 69.56 |
| Sub-total | 22,100 | 25,148.32 | 21,100 | 19,542.66 | 25,200 | 27,727.86 | 23,500 | 26,776.98 | 23,500 | 16,554.59 | 24,800 | 32,821.83 |
| Non-budgeted expenses/other | -- | -- | -- | 236.74 | -- | 365.69 | -- | -- | -- | 57.29 | -- | -- |
| Gd-Total | 22,100 | 25,148.32 | 21,100 | 19,779.40 | 25,200 | 28,093.55 | 23,500 | 26,776.98 | 23,500 | 16,611.88 | 24,800 | 32,821.83 |
| Difference over Estimates | -- | (3,048.32) | -- | 1,320.60 | -- | (2,893.55) | | (3,276.98) | | 6,888.12 | | 8,021.83 |
| Income: | | | | | | | | | | | | |
| Contributions | 19,858 | 21,053.93 | 20,750 | 20,461.50 | 22,680 | 23,719.66 | 23,200 | 25,039.92 | 23,200 | 24,155.35 | 24,500 | 23,898.82 |
| Bank Interest | 600 | 855.80 | 750 | 598.82 | 450 | 397.43 | 300 | 269.22 | 300 | 229.21 | 300 | 198.05 |
| Other | | + 208.22 | | 175.50 | | 688.58 | | 2,100.00 | | -- | | 1,283.65 |
| Total | 20,458 | 22,117.95 | 21,500 | 21,235.97 | 23,130 | 24,805.67 | 23,500 | 27,409.14 | 23,500 | 24,384.56 | 24,800 | 25,380.52 |
| Difference over Estimates | -- | +1,651.95 | | (264.03) | | +1,675.67 | | +3,909.14 | | +884.56 | nil | +580.52 |
| Income: | 2007 rate \$1.25 | | 2008 rate \$1.25 | | 2009 rate \$1.35 | | 2010 rate \$1.35 | | 2011 rate \$1.35 | | 2012 rate \$1.35 | |
| Expenses | 22,117.95 | | 21,235.97 | | 24,805.67 | | 27,409.14 | | 24,384.56 | | 25,380.52 | |
| Over-expend. Membership/Ass o | <u>25,148.32</u> - 3,030.37 | | <u>19,779.40</u> + 1,456.57 | | <u>28,093.55</u> - 3,287.88 | | <u>26,776.98</u> + 632.16 | | <u>16,611.88</u> +7,772.68 | | <u>32,821.83</u> -7,441.31 | |
| | 16,539 / 40 | | 16,686 / 42 | | 17,224 / 45 | | 18,328 / 49 | | 17,758 / 50 | | 17,885 / 52 | |
| Assets: | | | | | | | | | | | | |
| UBS US Dollar | US\$ 8,731.81 | | US\$ 6,208.18 | | US\$ 2,306.98 | | US\$ 2,693.36 | | US\$ 3,916.75 | | 3,730.05 | |
| UBS CHF | US\$ 768.56 | | US\$ 483.14 | | US\$ 2,401.17 | | US\$ 2,876.35 | | US\$ 268.24 | | 1,156.78 | |
| JNFCU Dollar | US\$ 20,811.78 | | US\$ 22,028.01 | | US\$ 20,467.43 | | US\$ 19,555.51 | | US\$ 28,949.58 | | 20,407.36 | |
| Total | US\$ 30,312.15 | | US\$ 28,719.93 | | US\$ 25,175.58 | | US\$ 25,125.22 | | US\$ 33,134.57 | | 25,294.09 | |
| | <u>-US\$ 4,000.00</u> 3/ | | <u>US\$ 178.10</u> | | US\$ 126,70 | | US\$ 76.95 | | US\$ 43.20 | | 143.10 | |
| Equivalent CHF | Net \$ 26,312.15 | | US\$ 28,898.03 | | US\$ 45.90 | | US\$ 39.26 | | US\$ 47.09 | | 50.76 | |
| | | | | | US\$ 25,348.18 | | US\$ 25,241.43 | | US\$ 33,224.86 | | 25,487.95 | |
| | CHF 29,469.61 | | CHF 34,504.25 | | CHF 26,108.63 | | CHF 24,433.70 | | CHF 30,304.40 | | CHF 23,380.51 | |
| | 1US\$= CHF 1.12 | | 1US\$=CHF 1.194 | | 1US\$=CHF 1.03 | | 1US\$=CHF 0.968 | | 1US\$=CHF 0.9121 | | 1US\$=CHF 0.926 | |

1/ FAFICS 2010 contribution to FICSA is being absorbed by three Staff Associations, members of FICSA,
2/ FAFICS expects to get its contribution to FICSA reduced to CHF 300 in 2011
3/ The US\$4,000 to AFICS-NY for temporary assistance during 2007 was paid in January 2008

Annex 2: FAFICS MEMBERSHIP AS AT 1 JANUARY 2013

(based on data at hand on 1 April 2013. An asterisk indicates that the figure is from 2012.)

| | | |
|--|--------------|-------------------------------------|
| AFICS-Argentina | 141 | |
| AAFICS-Australia | 240 | * |
| ARICSA-Austria | 986 | * |
| AFUNSOB-Bangladesh | 100 | * |
| AFICS-Bolivia | 50 | |
| AAFIB-Brazil | 132 | |
| AAFNU-Burkina Faso | 77 | * |
| CAFICS/ACAFI-Canada | 602 | * |
| AFICS-Chile | 525 | |
| ASOPENUC-Colombia | 125 | * |
| ACAFNU-Brazzaville-Congo | 198 | * |
| ARNUC-Kinshasa-Congo | 65 | * |
| ACEFUN-Costa Rica | 45 | * |
| AEFNUC-Cuba | 42 | * |
| AEFSNU-Ecuador | 49 | * |
| AFICS-Egypt | 56 | * |
| AFICS-Addis Ababa | 460 | |
| AAFU/AFUS-France | 1570 | * |
| APUNG-Greece | 61 | * |
| AFUNPI-Bangalore-India | 301 | * |
| UNPA-New Delhi | 343 | * |
| AFUNPR-Indonesia | 95 | * |
| IAFICS-Israel | 26 | * |
| FFOA-Rome-Italy | 2056 | * |
| FOA-Turin-Italy | 108 | * |
| AFICS-Japan | 32 | |
| AFICS-Kenya | 41 | * |
| AFICS-Lebanon | 50 | * |
| AFICS-MSB Malaysia, Singapore and Brunei | 41 | * |
| AMAFINU-Mali | 65 | |
| AFICS, Mauritius | 30 | |
| AFPNU-Mexico | 73 | * |
| IGFICS-Myanmar | 44 | * |
| AFICS-Netherlands | 198 | * |
| Nicaragua | 20 | * |
| AFUNCS-Nigeria | 64 | * |
| AFUNO-New Zealand | 67 | * |
| PAFICS-Pakistan | 70 | |
| APEFONU-Paraguay | 27 | * |
| AEFNUP-Peru | 60 | * |
| AFICS- Philippines | 67 | |
| AFICS-Russia | 15 | (241 members receive no UN pension) |
| AFICS-Sri Lanka | 44 | * |
| AAFI-AFICS-Geneva | 3565 | |
| UNAPATA-Tanzania | 52 | * |
| AFICS-Thailand | 312 | |
| AFICS-Kiev Ukraine | 7 | (39 members received no UN pension) |
| BAFUNCS-United Kingdom | 921 | * |
| AFICS-New York | 3359 | * |
| AFICS-Uruguay | 105 | * |
| Associated Members | | |
| ARICSCAM, Cameroon | 19 | |
| UNPAS, Somalia | 67 | * |
| Provisional total | 17868 | |